



GATEWAY MORTGAGE GROUP, LLC
6910 EAST 14TH ST
TULSA, OK 74112

Broker Approval Document Checklist

Broker Name: _____

Gateway Account Executive: JERRY LAIR - WWW.GATEWAYAE.COM 7

Required Documents for Broker Approval

- _____ Application
 - _____ Resumes of Owners, Principal Officers and Authorized Employees
 - _____ Current Financials, Balance Sheet, Profit & Loss Statement, and 2 years tax returns
 - _____ Copy of All Current Broker’s Licenses, if applicable
 - _____ Copy of All Current Authorized Employees’ Licenses, if applicable
 - _____ Articles of Incorporation, if applicable
 - _____ Board Resolution, if applicable
 - _____ Loan Fraud Prevention Policy
 - _____ Current Quality Control Plan
 - _____ List of all Branch Locations and Loan Originators
 - _____ W-9 Form (completed by Principal)
 - _____ Completed Broker Agreement
 - _____ Copy of Broker’s HUD Approval Letter, if applicable
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Please fax this package along with the required attachments to 918-392-8352, or email to ruth.tortorici@gmos.us.

If you have any questions, please contact us at 918-712-9000.



Fax and Email Consent Form

Company Name:

DBA:

Address:

Phone Number(s):

Fax Number(s):

Email Address(s):

I understand by providing fax numbers and email addresses, I consent to receiving unsolicited information, rate sheets and advertisements from Gateway Mortgage Group, LLC and its subsidiaries.

Signature: _____ Date:

I prefer to receive this via: Email Fax

Please visit www.JerryLair.com for submission forms and instructions



BROKER INFORMATION

| | | |
|---|-------------------------|-----------|
| Legal Name: | DBA: | |
| Address: | City/State: | Zip Code: |
| Date of Incorporation: | State of Incorporation: | |
| Tax ID: | NMLS Number: | |
| Corporation () Sole Proprietor () Partnership () LLC () Other () _____ | | |
| States in Which Licensed to Do Business (provide a copy of each license): | | |

AUTHORIZED EMPLOYEES

| Name | Title/ NMLS Number | Social Security Number | Phone Number/ Email Address |
|------|-----------------------|------------------------|--------------------------------|
| | | | |
| | | | |
| | | | |

ORIGINATION LOCATIONS (Attach a separate sheet if necessary)

| Address, City, State, Zip | Branch Manager | Phone Number/ Email Address |
|---------------------------|----------------|--------------------------------|
| | | |
| | | |

ORIGINATION EXPERIENCE

Number of years originating residential mortgages: _____

Origination Volume: _____ Avg. # Loans/Month: _____

Fannie Mae: _____% Gov't: _____% B/C: _____%

Have you ever been approved with HUD to originate FHA loans or are you currently sponsored by another entity to originate FHA loans? _____

I would like to apply for sponsorship to originate FHA loans with Gateway Mortgage Group.

THREE LENDER REFERENCES:

| | |
|-----------------|----------------|
| Lender's Name: | |
| Address: | |
| Contact Person: | Phone #/Email: |

| | |
|-----------------|----------------|
| Lender's Name: | |
| Address: | |
| Contact Person: | Phone #/Email: |

| | |
|-----------------|----------------|
| Lender's Name: | |
| Address: | |
| Contact Person: | Phone #/Email: |

1. Have any of the parties listed above ever been denied, suspended or disqualified from selling or servicing mortgages by any investor or agency, or been subject to bankruptcy proceedings? ... Yes ... No

If yes, explain below:

2. Are any of the parties listed above currently subject to regulatory or supervisory action by any regulatory agency? ... Yes ... No

If yes, explain below:

3. Are there any other contingent liabilities not shown in the financial statements? ... Yes ... No

If yes, explain below:

The Applicant and the undersigned certify that (I) the undersigned is duly authorized to provide the information requested in this application to Gateway Mortgage Group, LLC ("Gateway"); (ii) Gateway is authorized by the Applicant to verify any information obtained in connection with this application with any third party or source; (iii) the Applicant will, at all times before or after the execution of any contract or agreement, act as an independent contractor and, at no time, represent that the Applicant is acting as agent for or on behalf of Gateway; (iv) the Applicant is qualified to do business and is properly licensed or registered in all jurisdictions in which the Applicant originates loans; (v) the Applicant is duly organized under the laws of the state of its organization and has all requisite corporate power, authority and capacity to enter into a contractual agreement; (vi) all information, whether written or verbal, provided by the Applicant to Gateway in connection with this application is true, correct and complete; and (vii) Gateway is authorized to disclose any information obtained in connection with this application to any affiliate of Gateway; and (viii) the Applicant certifies that all loans submitted for purchase to Gateway will be closed properly according to all federal, state, local, and regulatory

requirements. The undersigned and the Applicant each agree to update the information provided to Gateway in connection with this application in the event that any information provided to Gateway in connection herewith changes in any respect. The Applicant agrees to indemnify and hold Gateway harmless from and against any and all liabilities, damages cost and claims resulting directly or indirectly from Gateway's reliance upon, use of or verification of all such information. The undersigned and the Applicant each understands that: (i) Gateway may now and at any time in the future, obtain verification of any information contained herein from any available source (including obtaining credit reports) with respect to the entity and each individual named herein; (ii) any misrepresentation contained in this application and/or any attachment or enclosure is grounds for disqualification or suspension of the Applicant; (iii) Gateway has the right among other remedies to demand immediate payment of amounts due Gateway if, at any time, any of the information set forth herein is not true, correct and complete; and (iv) approval will be conditioned upon receipt of all information and forms as outlined in this application and/or any attachments or enclosures.

Legal Name of Applicant _____

Name and Title of Authorized Officer _____

Signature of Authorized Officer _____ Date _____

MORTGAGE BROKER AGREEMENT

THIS MORTGAGE BROKER AGREEMENT (the "Agreement") made this _____ day of _____, 20____, by and among _____, a _____, (form of entity), having its principal office at _____ (the "Broker"), and Gateway Mortgage Group, LLC, an Oklahoma limited liability company ("Purchaser").

WHEREAS, the Broker is engaged in the business of originating loans secured by first lien security instruments, mortgages or deeds of trust on 1-4 family residential dwellings; and, from time to time hereafter, desires to sell the loans, including the servicing rights thereto (hereinafter referred to individually as a "Loan" and collectively as "Loans"), to Purchaser;

WHEREAS, the Purchaser desires to purchase Loans from time to time from the Broker, subject to the provisions hereof;

NOW, THEREFORE, in consideration of the foregoing and of the mutual promises and undertakings set forth in this Agreement, the parties hereto agree as follows:

Section 1. Eligible Mortgage Loans:

For the purpose of this Agreement, the following mortgages loans shall be deemed "eligible mortgage loans" for purchase and delivery from Broker:

(a) Loans which have Purchaser's approval of a completed credit file and closed loan file with acceptable documentation, and that meets the requirements of PURCHASER, FHA, VA FNMA, FHLMC, FMHA, AND PRIVATE INVESTORS, including but not limited to, the exclusion of non-owner occupied HUD REO's.

(b) Loans with a minimum amortization term of 240 months for loans delivered under 30 year commitments, and 120 months for loans delivered under 15 year commitments.

Section 2. Price of Loans and Interest Rates:

Purchaser will announce prices daily and reserves the right to change prices at any time during the day as the market changes. Such changes may include adjustments in rate and price, and will be provided to Broker and be effective immediately upon verbal or written notification thereof. The announced prices include Purchaser's service release premium.

Section 3. Loan Purchases.

(a) Pursuant to the terms hereof, from time to time hereafter, the Purchaser agrees to purchase Loans from the Broker and the Broker agrees to sell loans to the Purchaser. The Loans and the loan purchase transactions entered hereunder shall conform to all applicable provisions and requirements of this Agreement. The Agreement and the supporting documents, each as may be amended or revised from time to time hereafter, are hereinafter collectively referred to as the "Contract Documents." The Purchaser reserves the right to amend or modify the Contract Documents from time to time hereafter in its sole and absolute discretion, and shall provide the Broker with copies of all amendments and modifications thereto.

(b) If the Broker desires to sell Loan(s) to the Purchaser, the Broker shall register the Loan(s) with the Purchaser, as described in the Contract Documents.

(c) If the Broker desires to sell Loans to the Purchaser (each a "Mortgage Loan Package"), each of the Loans shall, as of the related closing date, be secured by a valid, recorded mortgage, deed of trust or other security instrument creating a first lien on a residential dwelling.

Section 4. Purchaser's Commitment/Trade Confirmation.

Broker understands and agrees that delivery of each loan against a commitment (registration with a rate lock) is the essence of this Agreement and is mandatory if the loan closes. In the event Broker closes a loan that was registered and locked, and fails to deliver the loan committed by the expiration date as specified, Broker hereby agrees to indemnify Purchaser for any losses and expenses sustained as a result of the delay or failure to deliver the loan being purchased. Expiration of a price quote does not constitute a cancellation of the commitment. Broker agrees to keep loan fallout/cancellation to an acceptable level, which should not exceed 30%.

Section 5. Delivery Requirements

Broker agrees to comply with the applicable and more specific provisions of the Agreement relating to loan delivery requirements. The note underlying the loan and certain preliminary legal documents must be delivered to Purchaser following disbursement within the delivery time period. Failure of Broker to deliver the properly completed and executed note and accompanying loan file within the delivery time period following disbursement and in accordance with this Agreement will result in a penalty to the Broker of 0.025% of the loan amount for each twenty-four (24) hour period the executed note and loan file are not received by the Purchaser. All closed loan packages must be delivered by Broker and received by Purchaser within the delivery time period, which is not later than seventy-two (72) hours from the loan funding date, and shipped to Gateway Mortgage Group, LLC, Attention: Post Closing, 6910 East 14th Street, Tulsa, OK 74112.

Section 6. Funding

Warehouse Purchase Loans - Purchaser agrees to fund loans upon receipt and approval of closed loan packages. All required conditions must have been satisfied. Loans will be funded net of any discounts, applicable tax service fees, and funding fees at the rate established in the Compensation Plan Addendum attached hereto.

Immediate Purchase Loans - Purchaser shall table fund approved loans upon receipt of a request for funds.

Section 7. Quality Control

(a) Broker agrees to implement a Quality Control Program in a form acceptable to Purchaser and/or allow Purchaser's Quality Control Department to conduct quality control audits of mortgage loans offered to and/or purchased by Purchaser.

(b) Brokers who sell government insured or guaranteed loans to Purchaser agree to maintain a HUD quality control plan that includes: copies of all HUD issuances, regulations, handbooks, mortgagee letters, circular letters, etc. which are relevant to the Broker's HUD-FHA origination and servicing activities. Broker agrees to keep these documents current and make them accessible to all employees, and periodically review them with appropriate staff.

Section 8. Reporting of Misconduct

Broker acknowledges that it is in the best interest of the parties hereto for Purchaser to perform due diligence concerning Broker background and experience. Broker further acknowledges that Broker benefits from the efficiencies in the due diligence process that are possible when Purchaser and other similarly situated entities in the mortgage industry exchange information about their experiences in doing business with individuals and companies such as Broker. Consequently, Broker hereby consents and agrees that Purchaser may submit the name of Broker's company and Broker's employees for screening through any and all mortgage industry background databases,

including, without limitation, databases operated by Mortgage Asset Research Institute, Inc. (“MARI”), such as the Mortgage Industry Data Exchange (“MIDEX”). Broker understands that Purchaser performs quality control reviews of the loans that Broker submits to Purchaser for registration, review, underwriting, and/or purchase. Broker understands and hereby consents to the release of information about any loan application that is believed to contain misrepresentations and/or irregularities. Broker agrees and consents that Broker and its employees may be named as the originating entity or loan officer on such loans, whether or not Broker or its employees are implicated in the misrepresentations and/or irregularities. Broker does hereby release and hold harmless Purchaser, MARI, and all MIDEX subscribers, and any trade associations that endorse the MIDEX system, from any and all liability for claims, demands, lawsuits, damages, losses, costs, and expenses that may arise from reporting or use of any information submitted by Purchaser or any other MIDEX subscriber to MARI, recorded in the MIDEX system, and used in any way by Broker or any other MIDEX subscriber.

Section 9. Additional Covenants

Broker agrees that the failure of Purchaser to enforce any condition of this agreement as to any mortgage loan is not a waiver of conditions hereunder with regard to that mortgage loan or any other mortgage loan transaction by the parties hereunder. Broker’s repudiation, breach, or inability to perform any of its commitment(s) shall be deemed a repudiation, breach or failure to perform all of its outstanding commitments to Purchaser hereunder. This agreement or any commitments entered into in accordance with this agreement may not be assigned by Broker; however, Purchase may assigned or transfer its rights or interest in this Agreement at any time without notice to Broker. During the term hereof, Broker will maintain a GAAP on balance sheet net worth of no less than \$25,000. Broker will preserve its corporate existence and be qualified to do business in all jurisdictions where its business requires, and Broker shall obtain and retain all necessary licenses to conduct such business. Broker shall give Purchaser thirty (30) days prior written notice of its intent to do any of the following: (i) liquidate, merge or consolidate with any person, firm or corporation; (ii) sell, lease, transfer or otherwise dispose of all or any substantial part of its stock (or other evidence of ownership) or its assets, whether now or hereafter acquired; or (iii) make or permit any material change in its stock ownership or in the composition of its current senior management. Broker also agrees to promptly notify Purchaser of any material change in the financial condition of Broker.

Section 10. Broker’s General Representations and Warranties.

Broker hereby represents and warrants, as of the date hereof and as of the date of the issuance of each Commitment or Trade Confirmation, as follows:

(a) Broker is a financial institution or such other entity as may be applicable which is supervised or examined by a federal or state authority, or is a Federal Housing Administration (“FHA”) approved mortgagee and/or an approved Veteran Administration (“VA”) and Federal National Mortgage Association (“FNMA”) Broker/Service in good standing.

(b) Broker is duly organized, validly existing, and in good standing under the laws of the jurisdiction of its organization, and has the corporate power and authority to perform its obligations under this Agreement.

(c) Broker holds all applicable federal, state, local and other licenses, authorizations and approvals, including, without limitation, the authorizations and approvals of FHA, VA, HUD, USDA, FNMA, FHLMC and/or GNMA as are reasonably necessary to perform its obligations under this Agreement in compliance with applicable law and secondary market requirements, and is not in violation of any of the requirements of any such licenses, authorizations and approvals.

(d) The execution, delivery and performance of this Agreement (including all instruments of transfer to be delivered pursuant to this Agreement) have been duly and validly authorized by all requisite action on the part of the Broker, and if the Broker is a depository institution, this Agreement will be maintained in the Broker’s official records. The consummation of the transactions contemplated by this Agreement are in the ordinary course of business of the Broker, and the transfer, assignment and conveyance of the notes and mortgages by the Broker to Purchaser pursuant to this Agreement are not subject to bulk transfer or any similar statutory provisions in effect in any applicable jurisdiction.

(e) This Agreement is the legal, valid and binding obligation of the Broker, enforceable against it in accordance with its terms, except as such enforcement may be limited by applicable liquidation, conservatorship,

bankruptcy, insolvency, rearrangement, moratorium, reorganization or similar debtor relief laws affecting the rights of creditors generally.

(f) There is no proceeding, action, investigation, or litigation pending or, to the best of the Broker's knowledge, threatened against the Broker which, individually or in the aggregate, may have a material adverse effect on this Agreement or on any action taken or to be taken in connection with the Broker's obligations contemplated herein, or which would be likely to impair materially its ability to perform under the terms of this Agreement.

(g) No consent, approval, authorization or order of, registration or filing with, or notice to, any governmental authority or court is required (except with respect to the recordation of the assignment of the security instrument) under federal laws, or the laws of any jurisdiction, for the execution, delivery and performance of, or compliance by the Broker with this Agreement or the consummation of any other transaction contemplated hereby.

(h) All information and documentation given to the Purchaser by the Broker or its agents, both in connection with the approval of the Broker to enter into this Agreement and thereafter, was or will be true and correct as of the date it was or is given and the Broker will promptly inform the Purchaser of any material change involving any previously submitted information or documentation.

(i) No representation, warranty or written statement made by or on behalf of the Broker in this Agreement, or in any schedule, exhibit, report, written statement, certificate or other document furnished by the Broker in connection with the transactions contemplated herein contains or will contain any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained herein or therein not misleading.

(j) Broker will not use any means to adversely select Loans for sale to Purchaser from Broker's portfolio which may not be the subject of the sale, including, without limitation, the identification and sale of Loans with additional risk to the Purchaser, which risks are known to Broker, but not disclosed to Purchaser.

Section 11. Broker's Loan Representations and Warranties.

Despite any advance review of the Loan by Purchaser, the Broker shall not be released from any of the following representations and warranties and the Broker hereby further represents and warrants as follows, with respect to each Loan sold to the Purchaser, as of the date of the purchase of the Loan:

(a) The Loan was originated by the Broker and not by any third party originator or broker, unless otherwise permitted in the Contract Documents or provided in Exhibit A hereto. The Loan was registered on the MERS System at origination or has been designated or will designate MERS as the record mortgagee, as nominee for Purchaser, in accordance with the Contract Documents.

(b) The Loan was originated, closed, funded and transferred to the Purchaser in full compliance with all applicable federal, state and local laws and regulations, including, without limitation, the Real Estate Settlement Procedures Act, Truth-in-Lending Act, Equal Credit Opportunity Act, Fair Housing Act, Home Mortgage Disclosure Act, Service Members Civil Relief Acts, Patriot Act, Anti-Money Laundering Act, Regulation A/B, The Securities Exchange Act of 1934, as amended and any and all other consumer protection and applicable disclosure requirements. The Loan and the loan purchase transaction to be consummated in connection therewith conform to all applicable provisions and requirements of the Contract Documents.

(c) Each Government Loan conforms with all applicable FHA or VA underwriting, lending, selling and servicing requirements, and with all GNMA requirements for the inclusion of the Loan in a GNMA MBS pool, and the Broker will comply with all documentation requirements of the Purchaser and the document custodian within the time limitations described in the Contract Documents. If a Commitment requires the loan to be FHA-insured, the Loan is fully eligible for FHA insurance and is, or within sixty (60) days after disbursement of the proceeds by the Broker will be, fully insured by the FHA. If a Commitment requires the Loan to be guaranteed by VA, the Loan is fully-eligible for VA guaranty, and is, or within sixty (60) days after disbursement of the proceeds by the Broker will be, fully guaranteed by VA.

(d) Each Conventional Loan conforms with all applicable requirements of the Purchaser, Agencies or applicable Investor, including, but not limited to, all requirements for the inclusion of such Conventional Loans in any pool of loans or private security as designated by the Purchaser and the FNMA Mortgage-Backed Security Loan Program, and each Conventional Loan conforms with all pooling requirements of the Agency or Investor. The Broker will comply with all documentation requirements of the Purchaser and the document custodian within the time limitations described in the Contract Documents. If a Commitment or Trade Confirmation requires the Loan to be insured by a policy of private mortgage insurance, the Loan is fully eligible and qualified to be insured by such policy of private mortgage insurance, such policy is in full force and effect, and no event or condition exists which could give rise to or result in a revocation of or defense to the policy.

(e) Immediately prior to the transfer and assignment of the Loan to the Purchaser, Broker was the sole owner of each Loan, with good and marketable title to the Loan, and had full right, title and authority, subject to no interest or participation of, or agreement with, any other party (other than a warehouse lender whose identity has been made known to Purchaser), to sell, transfer and assign the Loan(s) to the Purchaser, and there has been no other sale, transfer, or assignment of security interest granted by the Broker to any other party, nor are there any other restrictions limiting the transfer of the Loan.

(f) The payment due date of the Loan is the first day of the month, interest on the Loan is computed in arrears with payments (which may be reset periodically in accordance with the Loan documentation) sufficient to fully amortize the Loan (if applicable to the Loan) by the stated maturity date over an original term as set forth in the Loan documentation from commencement of amortization, the late charge on the Loan is the lesser of five (5) percent of the monthly payment or the amount permitted under state law, and the borrower is required to make monthly escrow payments (as applicable) for real estate taxes and insurance premiums unless restricted by law in the state where the Loan was originated.

(g) The proceeds of the Loan have been fully disbursed, there is no requirement for future advances thereunder, any and all requirements as to completion of any on-site or off-site improvements have been complied with, any disbursements of any escrow funds have been made, all costs, fees and expenses incurred in making or closing the Loan and recording the security instrument have been paid, the mortgage insurance premium or the VA Guaranty fee has been paid as applicable, and the mortgagor is not entitled to any refund of any amounts paid or due under the note or the security instrument.

(h) As of the date of delivery of the Loan File, the Loan is current and all payments have been made within the month such payments were due. To the best of the Broker's knowledge, there is no default, breach, violation or event of acceleration existing under the security instrument or the note and no event which, with the passage of time or with any notice and the expiration of any grace or cure period, would constitute a default, breach, violation or event of acceleration under the security instrument or the note.

(i) There is no offset, defense or counterclaim to the note or security instrument, including the obligation of the mortgagor to pay the unpaid principal and interest on such note. As of the date of purchase of the Loan, there are no mechanics' liens or claims that affect the lien priority of the security instrument relating to the Loan.

(j) There is no delinquent tax or assessment lien against the property securing the Loan, and the Broker has paid all property tax bills which are or will become due within 30 days of the purchase date of the Loan by the Purchaser.

(k) The Broker has not, and to the best of the Broker's knowledge no person has, advanced any funds for and on behalf of a mortgagor for the purpose of enabling the mortgagor to make any required payments of principal or interest on the Loan, or any tax, insurance, special assessment, sewer, utility or similar payments with respect to the property securing the Loan, and no subordinate financing was used in the mortgagor's acquisition of the property securing the Loan.

(l) There is no pending and no threatened litigation, which may affect in any way, by attachment or otherwise, the title or interest of the Broker in and to the Loan, the property securing the Loan, or any related note or security instrument.

(m) The original note and the security instrument are genuine and each is the sole legal, valid and binding obligation of the maker thereof, enforceable in accordance with their respective terms. All parties to the note and the security instrument had the legal capacity to execute and deliver the note and the security instrument, and the note and the security instrument have been duly and properly executed by such parties. The note is not and has not been secured by any collateral except the security instrument.

(n) The terms of each security instrument have not been impaired, waived, altered or modified in any respect, except by a written instrument which has been recorded, if necessary, to protect the interest of the Purchaser. The substance of any such waiver, alteration or modification was by the issuer of any related private mortgage insurance policy and the title insurer, to the extent required by the title insurance policy. No mortgagor has been released in whole or in part, except in connection with an assumption agreement approved by the issuer of any related private mortgage insurance policy and the title insurer to the extent required by the policy.

(o) The security instrument contains a provision for the acceleration of the payment of the unpaid principal balance of the note in the event that the property securing the Loan is sold or transferred in whole or in part without the prior written consent of the mortgagee thereunder, unless otherwise permitted in accordance with the terms of the Contract Documents.

(p) The security instrument has not been satisfied, canceled, subordinated or rescinded, in whole or in part, and the property securing the Loan has not been released from the lien of the security instrument, in whole or in part, nor has any instrument been executed that would affect any such release, cancellation, subordination or rescission, except as permitted by Purchaser, FNMA, FHLMC, GNMA, VA, FHA or Investor applicable guidelines and except which does not materially and adversely affect the value of the property securing the Loan.

(q) In the event the Loan is secured by a deed of trust, a trustee, duly qualified under applicable law to serve as such, has been properly designated and currently so serves and is named therein, and no fees or expenses are or will become payable by the Purchaser to the trustee under the deed of trust, except in connection with a trustee's sale after default by the mortgagor.

(r) Each security instrument is a valid and enforceable first lien on the property securing the Loan and is insured by (i) an American Land Title Association ("ALTA") lenders' loan title insurance policy issued by an underwriter acceptable to the Purchaser or (ii) the type of policy uniformly acceptable where ALTA policies are not available, which policy is subject only to the lien of current real estate taxes and assessments, and covenants, conditions and restrictions, rights of way, easements and other matters of public record as of the date of recording of such security instrument, such exceptions appearing of record and being acceptable to mortgage lending institutions generally or specifically reflected in the survey of the property securing the Loan. The title insurance policy relating to the Loan is in full force and effect and will be in force and effect upon the consummation of the transactions contemplated by this agreement. No claims have been made under such title insurance policy.

(s) The property securing the Loan consists of a single parcel of real property with a single family residence erected thereon, or a two-to-four family dwelling, an individual condominium unit, or an individual unit in a planned unit development. Such property meets the criteria for eligible property described in the Contract Documents. No portion of the property securing the Loan is used for commercial purposes.

(t) The property securing the Loan is free of damage, waste and environmental hazards; the property and its improvements are not in violation of any applicable zoning law or regulation, and there is no proceeding pending for the total or partial condemnation thereof.

(u) The property securing the Loan is insured by a hazard insurance policy meeting the standards as described in the Contract Documents, is issued by an insurer acceptable to the Purchaser, and names the Broker, the Purchaser or the assignee, in the mortgagee clause. The security instrument obligates the mortgagor thereunder to maintain the hazard insurance policy at the mortgagor's cost and expense, and on the mortgagor's failure to do so authorizes the holder of the mortgage to obtain and maintain such insurance at such mortgagor's cost and expense, and to seek reimbursement from the mortgagor. The Broker has not engaged in, and has no knowledge of the mortgagor's having engaged in, any act or omission which would impair the coverage of any such policy, the benefits of the endorsement provided for herein, or the validity and binding effect of the policy. If the property is located in a flood hazard area, the property is insured by a flood insurance policy acceptable to Purchaser, and all federal, state

and local requirements with respect to both hazard and flood insurance have been complied with in all material respects.

(v) No action, error, omission, misrepresentation, negligence, fraud or similar occurrence with respect to the Loan has taken place on the part of any person, including, without limitation, the mortgagor, any appraiser, any builder or developer or insurer or any party involved in the origination of the Loan or in the application for any insurance relating to such Loan that might result in a denial, failure or impairment of full and timely coverage under any insurance policies required to be obtained or any pool insurance policy covering the Loan.

(w) The appraiser for the Loan was duly licensed or certified under the applicable law where the Loan was originated and for each Government Loan was acceptable to the FHA or VA, as applicable, and for each Conventional Loan was acceptable to FNMA and/or the Investor, as applicable. The Broker will maintain documentation evidencing each appraiser's qualification and licensing or certification, which will promptly be provided to the Purchaser upon request.

(x) The appraisal used in connection with the origination of the Loan was ordered, performed and rendered in accordance with the requirements of all applicable laws and regulations, and, where applicable, in compliance with the FHA or VA requirements, relating to the origination of the Loan and the purchase of the Loan by the Purchaser, including, but not limited to, the provisions of the Financial Institution Reform Recovery and Enforcement Act; in addition the appraisal was prepared in accordance with USPAP Guidelines. Broker shall comply at all times and in all respects with the provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act, including but not limited to, Title IX Subtitle F entitled "Appraisal Activities." Further, Broker shall comply with provisions of Federal Reserve Bank, Regulation Z implementing Section 129E of the Truth In Lending Act establishing requirements for appraisal independence. Finally, Broker shall comply with the applicable Appraiser Independence Requirement of Fannie Mae and/or Freddie Mac, as appropriate.

(y) Except as set forth in the Contract Documents, all improvements that were included in the determination of the appraised value of the property securing the Loan lie wholly within the boundaries and building restriction lines of the property, and no improvements on adjoining properties encroach upon the property securing the Loans.

(z) There are no circumstances or conditions that may cause any Investor to regard such Loan as an unacceptable investment, or cause such Loan to become delinquent, or adversely affect the value or marketability of such Loan.

Section 12. Loan Repurchase.

(a) In addition to any other remedies to which Purchaser may be entitled, Broker agrees, to repurchase any Loan upon demand in the following circumstances:

- (i) the Broker breaches any representation, warranty or covenant in this Agreement, or a Loan otherwise fails to conform with the applicable requirements for such Loan as set forth in the Contract Documents;
- (ii) a complete Loan File is not submitted to the Purchaser within 120 days from the disbursement date of the Loan, which Loan File contains all of the documents required by the Contract Documents;
- (iii) a loan documentation problem exists which occurred prior to the date the Loan File was purchased by the Purchaser, regardless of when the defect was discovered;
- (iv) any of the first six payments due Gateway after the purchase date of the loan becomes ninety (90) days or more delinquent;
- (v) any Agency or any other Investor to whom the Purchaser sells a Loan or related security requires the Purchaser to repurchase such Loan because of a breach of any representation or warranty made by Broker pursuant to this Agreement.

(b) In the event of a repurchase demand from an Agency or Investor, the Broker may ask the Purchaser to submit further information to the Agency or Investor and to request that the Agency or Investor reconsider the repurchase request. The Purchaser may make such request unless the Purchaser believes in good faith that there is no basis to request reconsideration or that such request would be injurious to its business relationship with the Agency or Investor. The Purchaser's determination with respect to any such submission shall be final.

(c) In the event repurchase is required due to an early payment default as described herein, Purchaser may elect at its sole and absolute discretion to offer the Broker an optional alternative remedy of indemnification in lieu of repurchase. The terms of the indemnification shall be established by Purchaser at time it offers the indemnification remedy to Broker and Broker may either accept the terms of the indemnification or repurchase the Loan.

(d) The Broker shall repurchase the Loan no later than thirty (30) business days after the receipt by Broker of a written demand to repurchase. The Purchaser may, at its option, exercise its right to offset and withhold the payment of the total amount paid before any fees or discounts have been applied including, without limitation, any Servicing Released Premium ("Gross Premium") portion of the Loan purchase price for subsequent Loans until such time as the Broker has complied with all outstanding demands for repurchase and provided all delinquent loan documentation.

(e) In the event a "make whole" or repurchase demand from an Agency or Investor occurs as a result of a breach of any representation, warranty or covenant in this Agreement or the failure of a Loan to conform to the applicable requirements for such Loan as set forth in the Contract Documents, Broker shall remit the entire "make whole" or repurchase payment plus any additional fees as outlined in the Guide no later than thirty (30) calendar days after the receipt by Broker of a written demand for payment of the "make whole" or repurchase amount.

(f) If a loan is tainted in any way by fraud, misrepresentation, or defects, or fails to meet the Broker's representations, warranties or covenants in this Agreement, Broker shall repurchase said loan within ten (10) business days of written notice from Purchaser at a repurchase price equal to the par price paid by Purchaser plus any interest, late charge, advances, premiums, service released premiums, and any loss or expense, including any reasonable attorney fees, which Purchaser shall incur as a result of this loan.

(g) In the event Broker breaches or is otherwise not in compliance with any term or provision of this Agreement (including, but not limited to, any failure by Broker to pay any losses, fees or penalties assessed by Purchaser hereunder, such as fallout and pair-off fees), Purchaser may provide written notice thereof to Broker and Broker shall have ten (10) calendar days after receipt of such notice to cure such breach or noncompliance. In the event such breach or noncompliance by Broker is not cured to the satisfaction of Purchaser within said ten (10) days, then Purchaser shall have the right to cancel, terminate and/or rescind its obligation to purchase any mortgage loans hereunder as to which Purchaser has outstanding commitments to Broker (i.e., mortgage loans in Broker's "pipeline"), without further obligation or liability of any kind with respect thereto.

(h) In the event that any Loan purchased by Purchaser hereunder is paid in full within one hundred eighty (180) days of the date such Loan was purchased by the Purchaser, the Broker hereby agrees to repay to the Purchaser the "Gross Premium" portion of the purchase price paid by the Purchaser plus any service release premiums paid to Broker. In the event of an early payment default, in addition to the recapture of the amounts as specified in this paragraph, an administration fee of \$1500 for conventional loans and \$3500 for government loans will be charged to the Broker.

(i) The Purchaser may elect, in its sole discretion, to waive this repurchase requirement upon such terms and conditions as the Purchaser may establish, provided however, that any such election by the Purchaser as to such waiver shall not be deemed a waiver of the Purchaser's right to enforce the provisions of this Agreement as to any other Loan.

Section 13. Liquidated Damages for Failure of Delivery.

If the Broker fails to deliver a Loan to the Purchaser within the time requirements applicable to the Loan as set forth in the Contract Documents, the parties agree that actual damages sustained by Purchaser as a result thereof would be difficult or impossible to determine; therefore, it is agreed that Broker shall pay to the Purchaser as reasonable liquidated damages and not as a penalty that amount which is set forth and described in the Contract

Documents, in addition to such other amounts that may be due to Purchaser under other sections of this Agreement. Such amount shall be paid to the Purchaser not later than thirty (30) business days after receipt of written demand therefore by the Broker.

Section 14. Indemnification.

(a) The Broker hereby agrees to indemnify and hold the Purchaser and its officers, directors, employees and representatives harmless against any and all claims, losses, expenses, costs, obligations and liabilities, including reasonable attorney's fees and expense, which result or arise from the breach of any representation or warranty of the Broker or default in the performance of any covenant of the Broker, contained in this Agreement or the Contract Documents. The Broker further agrees to indemnify and hold the Purchaser and its officers, directors, employees and representatives harmless against any and all claims, losses, expenses, costs, obligations and liabilities, including reasonable attorney's fees and expenses, resulting from: (i) any Loan that fails to conform with the applicable requirements established by the Purchaser, (ii) the Broker's failure to deliver the Loan File within the time period required by the Contract Documents, (iii) a Loan that is not eligible for sale or pooling by the Purchaser, (iv) the default by any Approved Dealer on a mandatory delivery commitment assigned by the Broker to the Purchaser, or (v) the origination or servicing (prior to transfer of servicing to the Purchaser) of the Loan, including, but not limited to, losses incurred from the withdrawal or reduction of insurance by the FHA, guaranty by the VA or any mortgage insurance company on any Loan, losses resulting from the violation of any local, state or federal law, losses caused by errors in servicing, and losses resulting from missing or incorrect loan documentation.

(b) Upon receipt of notice of any claim, demand or assessment from a third party of the commencement of any suit, action or proceeding by a third party in respect of which indemnity may be sought on account of an indemnity agreement contained in this Section, the Purchaser will give written notice thereof, within sufficient time to allow Broker to respond to such claim or answer or otherwise plead in such action. Except to the extent that the Broker is prejudiced thereby, the omission of the Purchaser so to notify promptly the Broker of any such claim or action shall not relieve the Broker from any liability which it may have to the Purchaser in connection therewith on account of the indemnity agreement contained in this Section. In case any claim, demand or assessment shall be asserted or suit, action or proceeding commenced against the Purchaser, it shall notify the Broker of the commencement thereof and the Broker will be entitled to participate therein. After notice from the Broker to the Purchaser of its election so to assume the defense, conduct or settlement thereof the Broker shall proceed diligently to fulfill its obligations to defend and pay the cost thereof and keep Purchaser informed of the progress thereof.

(c) With respect to claims for indemnity hereunder by the Purchaser not related to claims by third parties the Broker shall respond to any such claim in writing within ten (10) business days which response shall set forth (i) the extent to which such claim is conceded, (ii) the extent to which such claim is disputed, both as to subject matter and amount, and (iii) the basis for disputing any such claim.

Section 15. Purchaser's Right of Offset.

In addition to those rights set forth in Section 11 (c) hereof, in the event that the Broker fails to pay the Purchaser any sums which are owed to the Purchaser by the Broker pursuant to the terms of this Agreement or any other loan purchase agreement between the Broker and Purchaser (including Purchaser's predecessors and affiliates), the Purchaser shall be permitted to offset such sums from any amounts due to the Broker pursuant to the terms of this Agreement.

Section 16. Termination.

(a) The Purchaser may, in its sole discretion and upon seven (7) calendar days' prior written notice to the Broker, terminate its obligations hereunder without liability whatsoever to the Broker or any other person for claims, losses, expenses, costs, obligations and liabilities arising directly or indirectly therefrom. Such termination shall not affect the Broker's duties and obligations or any of Broker's representations and warranties with regard to any Loans purchased by the Purchaser prior to the date of termination.

(b) The Purchaser may, in its sole discretion, immediately terminate its obligations hereunder without liability whatsoever to the Broker or any other person for claims, losses, expenses, costs, obligations and liabilities arising directly or indirectly therefrom, in the event of: (i) the Broker's breach of any representation or warranty or default in the performance of any covenant in this Agreement or in any other loan purchase agreement

between the Broker and Purchaser (including Purchaser's predecessors and affiliates) or (ii) Purchaser in the exercise of its commercially reasonable judgment determines that Broker has acted in any manner (whether related to this Agreement or otherwise) that might place Purchaser at risk should it continue to purchase Loans from Broker. In the event of termination pursuant to the terms of this Section 16(b), the Purchaser may, at its option, either: (i) refuse to accept delivery of any additional Loans; or (ii) require the Broker to deliver the additional Loan(s) which the Purchaser has committed to purchase and withhold the payment of any "Gross Premium" for such Loan(s) until such time as the Broker has fully performed all of its duties and obligations as to all Loans sold to the Purchaser hereunder.

Section 17. Governing Law; Arbitration.

This Agreement shall be governed by and construed in accordance with the laws of the State of Oklahoma, excluding the provisions relating to conflicts of laws. Any and all actions brought to enforce the provisions of this Agreement shall be brought in a court of competent jurisdiction located in Tulsa, Oklahoma, subject to the arbitration provisions hereinbelow. The prevailing party obtaining a final judgment, including appeals, in any such action shall be entitled to receive from the non-prevailing party reasonable attorney's fees incurred by reason of such action and all costs of suit and preparation thereof.

Any claim, dispute, or controversy arising out of or in connection with or relating to this Agreement or the breach or alleged breach of this Agreement must be submitted by the parties to binding arbitration to be conducted in the City of Tulsa, Oklahoma, before a single arbitrator agreeable to both parties, in accordance with the laws of the State of Oklahoma, including but not limited to the Uniform Arbitration Act, Title 12, Chapter 38B, §§ 1851-1881. The parties hereby consent to the jurisdiction of the State of Oklahoma for arbitration, and if the parties cannot agree on a designated arbitrator within three (3) weeks after arbitration is requested in writing by either party, the arbitration shall proceed in the City of Tulsa, Oklahoma, before a single arbitrator appointed by the American Arbitration Association under the rules of that Association. The award is to be rendered in a form that judgment may be entered on it in any court having jurisdiction.

Section 18. Notices.

All demands, notices and communications hereunder shall be in writing and shall be deemed to have been duly given if personally delivered at or delivered by overnight courier.

(a) if to Broker: _____

Attention: _____
Telephone: _____
Fax: _____

or such other address as may hereafter be furnished in writing by the Broker to the Purchaser.

(b) if to Purchaser: Gateway Mortgage Group, LLC
Attn: Broker Lending Department
6910 East 14th Street
Tulsa, OK 74112
Telephone 918-712-9000

or such other address as may hereafter be furnished in writing by the Purchaser to the Broker.

Section 19. Solicitation of Mortgagor.

The Broker agrees that, from and after the Closing Date of any Loan sold and assigned to Purchaser hereunder, the Broker will not take any action or permit or cause any action to be taken by any of its agents or affiliates, or by any independent contractors on the Broker's behalf, to personally, by telephone or mail or otherwise,



solicit the borrower under any Loan for the purpose of refinancing, in whole or in part, or offering other loans or related financial products. It is understood and agreed that all rights and benefits relating to the solicitation of any Mortgagors and the attendant rights, title and interest in and to the list of such Mortgagors and data relating to the Mortgages (including insurance renewal dates) shall be transferred to the Purchaser pursuant to the Contract Documents, and the Broker shall take no action to undermine these rights and benefits. The Broker agrees that the Purchaser has the express exclusive right to market, offer and sell any services and products to the Mortgagors. Notwithstanding the foregoing, it is understood and agreed that promotions undertaken by Broker or any affiliate of the Broker which are directed to the general public at large shall not constitute solicitation under this Section.

Section 20. Confidential Information.

(a) Treatment of Confidential Information. Each party warrants and guarantees to hold in strict confidence, and not disclose to any third party, any and all confidential knowledge, proprietary information, trade or business secrets or any other knowledge or information, other than that which is public knowledge or otherwise known so the party, of or relating to the other party's business, which may come to its knowledge during the term of this Agreement.

Broker agrees that all information regarding Purchaser's customers, or any of Purchaser's subsidiaries, affiliates or related entities, including without limitation, Purchaser's assets, services, marketing practices, plans or strategies, secrets and trade secrets, accounting, business connections, purchasing, suppliers, customers and operational methods, business or property acquisition plans, market surveys, and all other information of any kind or nature whatsoever which may pertain to or be derived from Purchaser, whether it is non-public personal information concerning a customer of Purchaser, or information concerning the business operations and processes of Purchaser or services contemplated by this Agreement, now or hereafter existing, whether oral or written (the "Confidential Information"), furnished to or obtained by Broker or its employees, except as otherwise provided herein, Broker shall not disclose to third parties any of the Confidential Information.

Each party acknowledges that certain information, records, files, or documents relating to the other party's customers ("Customer Information") may be disclosed or delivered to the other party, or may come to each other's attention during the course of performance of this Agreement, and that such parties have certain rights under the Gramm-Leach-Bliley Act of 1999, as it may be amended from time to time and the regulations promulgated thereunder (the "GLB Act"). Each party shall not use or disclose, either directly or indirectly, to any person, firm or corporation any Customer Information, other than in the ordinary course of carrying out the purposes of this Agreement or as permitted under applicable law or regulation, including use under an exception to the GLB Act. Notwithstanding any of the foregoing, in the event either party is required by law, regulation or court order to disclose any Customer Information the disclosing agent will provide the other party with immediate notice to allow that party a reasonable opportunity to obtain a protective order. Both parties agree to implement and maintain appropriate measures designed to; (i) ensure the security and confidentiality of Customer Information; (ii) protect against any anticipated threats or hazards to the security or integrity of Customer Information; and (iii) protect against unauthorized access to or use of Customer Information that could result in substantial harm to any of these customers. This provision shall survive termination of this Agreement. Both parties will make their subcontractors or agents aware of and shall cause them to comply with this provision of this Agreement.

Broker further agrees to comply with all federal and state privacy regulations, in effect as of the date of this Agreement and enacted at any time thereafter, concerning the use and protection of Customer Information. Broker shall be responsible for, indemnify, and hold Purchaser harmless from and against any damages or liability resulting from such breach.

(b) Certain Permitted Disclosures. Broker shall have the right to disclose and communicate the Confidential Information and Customer Information or any part thereof to such employees or subcontractors as are necessary for Broker to perform under this Agreement.

Section 21. Information Security and Privacy.

(a) The Broker acknowledges that the Purchaser is required to comply with the information security standards required by the Gramm-Leach-Bliley Act (15 U.S.C. 6801, 6805(b)(1)), as amended, and the regulations issued thereunder (12 C.F.R. part 40) (collectively, the "GLB Act") and with other statutory and regulatory

requirements (collectively, "Privacy Laws") as well as its internal information security program for information protection. If applicable, the Broker shall make commercial best efforts to assist the Purchaser to so comply and to conform to its own policies for information protection with applicable Privacy Laws, as amended from time to time. At the Purchaser's request, the Broker shall make commercially reasonable modifications to its information security program or to the procedures and practices thereunder to conform to the Purchaser's security requirements as they exist from time to time. (b) Within thirty (30) calendar days of the Purchaser's written request, the Broker shall deliver to the Purchaser's information protection department a copy of its written information security program. The program shall be designed to: (i) Ensure the security, integrity and confidentiality of Confidential Information; (ii) Protect against any anticipated threats or hazards to the security or integrity of such Confidential Information; (iii) Protect against unauthorized access to or use of such Confidential Information that could result in substantial harm or inconvenience to the person that is the subject of such information; and (iv) Ensure the proper disposal of such Confidential Information.

Section 22. Equal Opportunity.

The Purchaser and the Broker represent that they are equal opportunity employers and do not discriminate in employment of persons or awarding of subcontracts because of a person's race, color, sex, age, religion, national origin, veteran or handicap status. The Broker is aware of and fully informed of the Purchaser's responsibilities and agrees to the provisions under the following: (a) Executive Order 11246, as amended or superseded in whole or in part, and as contained in Section 202 of said Executive Order as found at 41 C.F.R. § 60-1.4(a)(1-7); (b) section 503 of the Rehabilitation Act of 1973 as contained in 41 C.F.R. § 60-741.4; and (c) The Vietnam Era Veterans' Readjustment Assistance Act of 1974 as contained in 41 C.F.R. § 60-250.4.

Section 23. Reproduction of Documents.

This agreement and all documents relating thereto, including, without limitation, (a) consents, waivers and modifications which may hereafter be executed, (b) documents received by any party at the Loan closing, and (c) financial statements, certificated and other information previously or hereafter furnished, may be reproduced by any photographic, photostatic, microfilm, micro-card, miniature photographic or other similar process. The parties agree that any such reproduction shall be admissible in evidence as the original itself in any judicial or administrative proceeding, whether or not the original is in existence and whether or not such reproduction was made by a part in the regular course of business and that any enlargement, facsimile or further reproduction of such reproduction shall likewise be admissible in evidence.

Section 24. Miscellaneous Covenants.

(a) This Agreement shall supersede and replace any prior written or oral agreement between the parties concerning the purchase of Loans by the Purchaser, although any such Loans purchased by the Purchaser from the Broker prior to the date of this Agreement shall continue to be governed by the terms of any prior agreement pertaining thereto. No term or provision of this Agreement may be waived or modified unless in writing and agreed to by all parties hereto.

(b) The Broker may not assign any rights or interests, or delegate any duties, arising from this Agreement. The Purchaser may assign its rights and interest, and delegate its duties, arising from this Agreement without the consent of the Broker.

(c) Nothing herein contained shall be deemed or construed to create a partnership or joint venture between the parties hereto, and the Broker shall not represent that it is the Purchaser's agent for any purpose.

(d) Broker shall hereafter, from time to time, upon request of the Purchaser and without further consideration, perform, execute, acknowledge, and deliver or cause to be performed, executed, acknowledged, and delivered, all such further acts, deeds, assignments, documents, instruments, transfers and assurances as the Purchaser may reasonably require and request to confirm and perfect the Purchaser's right, title and interest in and to, and its possession of, the Loans and the Loan Files. With respect to any Government Loan, the Broker shall upon request provide the Purchaser with copies of the case binder submitted to the FHA or the insuring package submitted to the VA, as the case may be. In the event Broker fails to timely deliver to Purchaser such documents as are necessary for Purchaser to have custody of complete Loan Files, or if Purchaser otherwise deems itself insecure with the prospect of obtaining such follow-up documents (e.g., assignments, registered deeds, insurance application packages,

mortgage insurance certificates) from Broker in a timely manner, the Purchaser or any of Purchaser's officers and employees, shall have the right hereunder to appear at the offices of Broker during regular business hours after reasonable notice and obtain physical and legal custody of such documents.

(e) All representations, warranties and covenants made by the Broker as contained in this Agreement or given pursuant hereto shall survive any termination of this Agreement and the closing of the loan purchase transactions herein contemplated, and the same shall remain in full force and effect, regardless of such termination or the closing dates of said transactions.

(f) Capitalized terms used herein but not otherwise defined shall have the meanings ascribed to such terms in the Contract Documents. Section heading names are for convenience only.

(g) Broker will provide the Purchaser, within ninety (90) days after the Broker's fiscal year-end, the Broker's annual audited financial statements prepared by independent certified public accountants in accordance with generally accepted accounting principles, and with such other financial information as is reasonably requested by the Purchaser in connection with the purchase of Loans from the Broker pursuant to this Agreement.

(h) Broker will maintain a quality control system acceptable to the Purchaser as determined in Purchaser's sole discretion, and Broker will promptly provide to the Purchaser upon request copies of all internal and external reports relating to Loans purchased by the Purchaser pursuant to this Agreement.

(i) Broker shall maintain in full force and effect, as described in the Contract Documents, policies of errors and omissions insurance and fidelity bond coverage in such amounts as the Purchaser shall reasonably require in order to indemnify the Purchaser from any loss or damages incurred in connection with the transactions contemplated by this Agreement, and Broker shall provide satisfactory evidence of such coverage to the Purchaser annually.

(j) Upon reasonable notice and during regular business hours, the Broker hereby agrees to allow the Purchaser to review all of the books and records of the Broker relating to Loans purchased under the Agreement.

Section 25. Certification Relating to Kickbacks

PURCHASER and BROKER hereby certify that they have not and will not receive any fees or considerations of any type, directly or indirectly, from any party in connection with any FHA, VA or Conventional transaction, except the fees that will be fully disclosed on the loan settlement statement for each transaction which will be in accordance with all FHA/VA and RESPA regulations.

Section 26. Several Obligations.

Notwithstanding any provision in this Agreement or the Contract Documents to the contrary, the rights, remedies, benefits, duties and obligations of Purchaser and any of its affiliates hereunder are several and not joint and several. Purchaser does not assume any obligations or duties of any of its affiliates with respect to any Loans purchased by such affiliate from the Broker either prior to or after the date of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement in duplicate as of the day and year first above written:

BROKER: _____

Company: _____

By: _____

Title: _____

Date: _____

PURCHASER: GATEWAY MORTGAGE GROUP, LLC

By:

J. Kevin Stitt, President & CEO/Managing Member

LOAN FRAUD PREVENTION POLICY

It is the policy and intent of Gateway Mortgage Group LLC to support the eradication of loan fraud within the Residential Lending Profession.

Loan Brokers and Broker Lenders should be advised that a licensed broker bears responsibility for all actions, performed in the course of business, of his or her employees or licenses.

THE SUBMISSION OF A LOAN APPLICATION CONTAINING FALSE OR MISREPRESENTED INFORMATION IS A FEDERAL CRIME.

Although loan fraud or negligent misrepresentation may be perpetrated in many forms, some of the most common examples are:

1. Submission of inaccurate information, including false statements on loan applications and falsification of documents purporting to substantiate credit, employment, deposit and assist information, of personal information including identity, ownership/non-ownership of real property, etc.
2. Forgery or misrepresentation of partially or predominantly accurate information.
3. Inaccurate representations of current occupancy or intent to maintain required occupancy as agreed in the security instrument.
4. Lack of due diligence or concern by broker, loan officer, interviewer, or processor, including failure to obtain or divulge all information required by the application and failure to request further information as dictated by Borrower's response to other questions.
5. Acceptance of information or documentation which is known or suspected to be inaccurate or acceptance of information which should be known to be or suspected to be inaccurate.
6. This includes:
7. Simultaneous or consecutive processing of multiple owner-occupied loans from a single applicant where information differs on each application.
8. Permitting an applicant or interested third party to assist with the processing of the loan.
9. Failure of broker or loan officer to disclose any relevant or pertinent information.

CONSEQUENCES OF LOAN FRAUD

The consequences of residential loan fraud are far-reaching and expensive. Gateway Mortgage Group warrants the quality of our loan production to our investors. Fraudulent loans may not be sold in the secondary market for home mortgages. If a loan is discovered to be fraudulent after its sale, Gateway Mortgage Group could be obligated to repurchase the loan from our investor. Fraudulent loans harm our reputation and strain our relationships with our investors and mortgage insurance carriers.

The consequences to those who participate in loan fraud are even more severe. Following is a list of a few repercussions that may be experienced.

To The Broker/Broker/Loan Officer:

1. Criminal prosecution which may result in possible fines and imprisonment.
2. Revocation of Broker/Broker/Loan Officer License.

3. Inability to access lenders caused by the exchange of legally permissible information between lender; mortgage insurance companies; FHLMC , FNMA, and other investors; policy agencies; and state or federal regulatory agencies including the Department of Real Estate.
4. Civil action by Gateway Mortgage Group.
5. Civil action by applicant and/or other parties to the transaction.
6. Loss of approved broker or Broker lender status.

To The Borrower:

1. Acceleration of debt as mandated in the security instrument.
2. Criminal prosecution which may result in possible fines and imprisonment.
3. Civil action by Gateway Mortgage Group.
4. Civil action by other parties to the transaction such as the Broker or real estate agent/broker.
5. Termination of employment
6. Forfeiture of any professional license.
7. Adverse, long term effect on credit history.

I have read the foregoing; I understand and accept Gateway Mortgage Group LLC's Policy on Loan Fraud.

Signature of Broker of Record

Signature of Principal

Witnessed by: _____

Print Name

Dated: _____

RESOLUTION OF BOARD OF DIRECTORS

OF _____
(Name of Broker Lender)

RESOLVED FIRST, that

_____ the _____ and
(Name of Officer) (Title)

_____ the _____ and
(Name of Officer) (Title)

_____ the _____ and
(Name of Officer) (Title)

of this corporation, or any one or more of them or their duly elected or appointed successors in Office, be and each of them is hereby authorized and empowered in the name of and on behalf of this corporation and under its corporate seal from time to time while this resolution is in effect, to sell mortgage loans to Gateway Mortgage Group LLC, and to execute any and all agreements, contracts, assignments, endorsements, and issuance of checks or drafts, reports, mortgage documents and other papers in connection with documents, and furnish any information required or in connection therewith.

I HEREBY CERTIFY that the foregoing is a true and correct copy of a resolution presented to and adopted by the Board of Directors of

(Your Company Name)

At a meeting duly called and held at

(City and State)

on the ____ day of _____, 20 ____ at which a quorum was present and voted, and that such resolution is duly recorded in the minutes book of this corporation; that the officers named in said resolution have duly elected or appointed to, and are the present incumbents of the respective officers set after their respective names.

(Secretary)

[corporate seal]

**ADDENDUM TO
GATEWAY MORTGAGE BROKER AGREEMENT
COMPENSATION PLAN**

This addendum to the Mortgage Broker Agreement is dated the 1st day of April, 2011 and entered into by and between GATEWAY MORTGAGE GROUP, LLC. (“GATEWAY”) and _____, Broker.

Whereas the parties have entered into a Mortgage Broker Agreement dated the _____ day of _____, 20____, a copy of which is attached, and,

Whereas the parties desire to supplement that agreement and to set forth the terms of the Loan Compensation Plan,

NOW THEREFORE, THE PARTIES AGREE AS FOLLOWS:

Section 1. Compensation Plan

As to each loan submitted by Broker, Broker shall select as an exclusive method of compensation either option A or option B as set forth below.

A. Consumer Paid Option

- a. Broker will negotiate compensation directly with the consumer.
- b. The consumer must pay compensation to the broker client from their own funds at closing, or from the principal proceeds of the new loan.
- c. Premium pricing may not be used to compensate the Broker.
- d. The consumer may pay third party costs and GATEWAY fees by paying cash at closing, or financing through the principal or interest rate.
- e. No other person may provide compensation to a Loan Originator, directly or indirectly, in connection with the loan transaction.
- f. Compensation to the Broker can vary from transaction to transaction.
- g. Compensation from the Broker to its loan Originators may be comprised only of salary or hourly wage.
- h. Compensation cannot exceed the lesser of 4% or state high cost limits.

B. Creditor Paid Option

- a. Broker shall receive _____% (1%-3.5%) of the principal amount of such mortgage loan as its sole and complete compensation.
- b. The compensation shall be consistent on all loans funded for Broker by GATEWAY, except that GATEWAY may, but is not required to, periodically revise the Broker compensation prospectively.



- c. GATEWAY will pay compensation directly to the Broker.
- d. The consumer cannot pay compensation to the Broker.
- e. The Broker cannot reduce the creditor paid compensation by offering concessions or paying for tolerance violations.
- f. The Broker will establish compensation agreements with its loan originator employees that will comply with the Federal loan originator compensation rule in §226.36(d) and (e) of Regulation Z (12 CFR Part 226).

Section 2. Broker Warranties of this Addendum are as follows:

A. Loan Originator Compliance

Broker has developed and implemented compensation plans for its loan originators which:

- a. prohibit payments to its loan originators that are based on the loan's interest rate or other loan terms or conditions,
- b. prohibit Broker or its loan originators from receiving payments directly from a consumer while also receiving compensation from the creditor or another person, and,
- c. prohibit Broker or its loan originators from "steering" a consumer to a creditor in order to increase the Broker's or loan originator's compensation.

Broker shall ensure that its policies and procedures regarding Loan Origination Compensation comply with all federal, state and regulatory requirements, including the rules set forth in the TILA, Regulation Z and the Official Staff Commentary. Broker shall provide GATEWAY a copy of such policies and procedures. Broker shall take all appropriate steps to ensure that loan originators originate loans in compliance with the statute, regulations and commentary, including training, automated systems controls and compliance testing.

Broker must provide the consumer with loan options from a significant number of the creditors with which the Broker regularly does business. For each type of transaction (i.e. fixed rate, ARM), in which the consumer expressed an interest, the loan options presented must include:

- a. The loan with the lowest interest rate
- b. The loan with the lowest total dollar amount for origination points or fees and discount points
- c. The loan with the lowest interest rate without certain features, including:
 - i. A prepayment penalty
 - ii. Interest-only payments
 - iii. Negative amortization
 - iv. Demand feature
 - v. A balloon payment in first seven years.

Loan originators must have a good faith belief that the options presented are loans for which the consumer likely qualifies. Brokers must obtain options from at least three (3) creditors. If more

than three loans are presented, Broker must highlight the loans that satisfy the options bulleted above.

Section 3. Indemnification

In addition to Broker's repurchase obligations set forth in the Agreement, to the fullest extent allowed by law, Broker indemnifies and holds harmless GATEWAY, its shareholders, directors, officers, agents, employees, successors and assigns against any loss, damage, claim, expense, liability or cost (including reasonable attorney's fees) arising from any act or omission by Broker in connection with its obligations under this Addendum and any breach by Broker of its representations, warranties, covenants, and agreements contained in this Addendum.

Section 4. Savings Clause

It is the intention of Broker and GATEWAY to comply with the Federal loan originator compensation regulations applicable to this Addendum contained in Regulation Z, 12 CFR §226.36, (herein "Compensation Law"); accordingly, it is agreed that notwithstanding any provision to the contrary in this Addendum or in any other document(s) executed in connection herewith, no such provision shall require or permit the payment or the receipt of loan originator compensation not permitted by the Compensation Law. If, from any circumstance whatsoever, compensation in excess of, or not permitted by, the Compensation Law is provided for, contracted for, paid or received or adjudicated to be provided for, contracted for, paid or received, then the provisions of this paragraph shall govern and control and neither party hereto nor any other party shall be obligated to pay the amount of such compensation not permitted by the Compensation Law, and the compensation payable to Broker or any other loan originator shall be reduced to the amount and sources permitted by the Compensation Law. The receiving loan originator shall refund any such impermissible compensation to the payor thereof immediately upon notification from Broker or GATEWAY, as applicable. It is further agreed that without limitation of the foregoing, all calculations of the compensation provided for, contracted for, paid or received under this Addendum shall be made in accordance with the Compensation Law, as now or hereafter construed or amended.

IN WITNESS WHEREOF, the parties have executed this Agreement on this ____ day of _____, 20__.

BROKER _____

Company _____

By: _____

Title: _____

Date: _____

GATEWAY _____

By: _____