

Loan Purchase Application & Agreement Instructions

The purpose of this application and agreement is to establish a relationship arrangement under which Midland Mortgage Corporation, hereinafter referred to as "Midland Mortgage" will purchase mortgage loans originated and closed by a "Correspondent".

Instructions

The Correspondent should complete this application in full and attach all required supporting documentation. It should be signed by an authorized senior officer and submitted to:

Midland Mortgage Corporation
Attn: Correspondent Lending Approval
1500 Richland Street
Columbia, SC 29201

The Correspondent should attach the following general information regarding its operation:

- Copies of all appropriate and applicable lending licenses and/or charters
- Annual Report
- Copy of the most recent audited financial reports
- Resumes of all principals
- Copy of the most recent Errors and Omissions Policy and Fidelity Bond

If Midland Mortgage approves the application, a copy of the fully executed *Loan Purchase Agreement* will be forwarded to the Correspondent for its permanent records.

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Application to do business with Midland Mortgage Corporation

General Information			
Company/Institution Name:			
Federal Tax ID:			
Home Office Address:			
State of Incorporation or Organization:			
Phone Number:		Fax Number	

Principal Owner(s) of the Company (ownership of 5% or more)			
	% Owned:		SSN:
	% Owned:		SSN:
	% Owned:		SSN:
	% Owned:		SSN:

Institutional Characteristics			
Institution Type: <input type="checkbox"/> Bank <input type="checkbox"/> Credit Union <input type="checkbox"/> Savings Bank AND <input type="checkbox"/> Federal or <input type="checkbox"/> State Chartered			
Are you currently or have you received notice of any pending type of governmental regulatory restriction(s) that prevent you from conducting normal day to day business? <input type="checkbox"/> Yes <input type="checkbox"/> No			
If preceding answer is yes, please attach and provide details.			
Are you an approved FHA Lender?	<input type="checkbox"/> Yes <input type="checkbox"/> No	ID Number	
Are you an approved VA Lender?	<input type="checkbox"/> Yes <input type="checkbox"/> No	ID Number	
Are you approved for FNMA?	<input type="checkbox"/> Yes <input type="checkbox"/> No	ID Number	
Are you approved for FHLMC?	<input type="checkbox"/> Yes <input type="checkbox"/> No	ID Number	
Are you an approved MERS Lender?	<input type="checkbox"/> Yes <input type="checkbox"/> No	Org ID	
What was the conventional residential loan volume for the last 12 months?		\$	
What is the anticipated residential loan volume for the next 12 months?		\$	

Contact Information			
Primary Contact Name:			
Primary Contact Email Address:		Phone:	
Rate Sheet Distribution Contact Name:			
Rate Sheet Distribution Email Address:			
Quality Control Contact Name:			
Quality Control Email Address:		Phone:	

References (if currently originating secondary market mortgage loans)			
<i>Please list three companies to which you have sold substantial loan volume in the past 24 months.</i>			
Company		Account Executive	Phone
Company		Account Executive	Phone
Company		Account Executive	Phone

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Additional Information		
Do you have a quality control plan in place? <input type="checkbox"/> Y <input type="checkbox"/> N	<i>Please attach a copy of current QC policy or a brief written explanation of your origination procedures.</i>	
Do you have a Fidelity Bond? <input type="checkbox"/> Y <input type="checkbox"/> N	Individual \$	
	Blanket \$	
Do you have an Errors & Omissions Policy? <input type="checkbox"/> Y <input type="checkbox"/> N	Coverage \$	
	Deductible \$	
Do you prepare your own closing packages? <input type="checkbox"/> Y <input type="checkbox"/> N	Software/ Vendor	
Do you follow FNMA/FHLMC guidelines in regards to loan origination, processing and closing? <input type="checkbox"/> Y <input type="checkbox"/> N		

Wiring Instructions (if applicable)
Wire Funds to:
Address of Bank:
Contact Name:
Account Number:
Further Credit to:
Routing Number:
Account Name:

Interrogatories <i>(If answering yes to any of the following, please explain in full detail on a separate attachment.)</i>	
Have any of your principal officers, directors, partners or owners of a 5% or more interest ever been:	
<input type="checkbox"/> Y <input type="checkbox"/> N	Convicted of a crime or named in a pending criminal proceeding (excluding traffic violations)?
<input type="checkbox"/> Y <input type="checkbox"/> N	Subject to any judgment or decree enjoining the engagement of activities in connection with any type of business transaction (including the purchase or sale of a security) or acting as (or as an associated or affiliated person of) an investment advisor, underwriter, broker, dealer, financial institution and any other business?
<input type="checkbox"/> Y <input type="checkbox"/> N	Suspended, terminated, debarred or denied approval by HUD, Fannie Mae, Freddie Mac, GNMA, FHA/VA or any mortgage insurance correspondent, warehouse correspondent, secondary market investor or correspondent?
<input type="checkbox"/> Y <input type="checkbox"/> N	Is your institution the subject of any material litigation, assessments or contingent liabilities not disclosed in your financial statements?
<input type="checkbox"/> Y <input type="checkbox"/> N	Are there any actions, claims, inquiries, investigations, suits or proceeding pending, at law against your institution?

Loan Personnel <i>Please provide a list of your personnel and their office location(s).</i>

Consent to Receive Information by Fax and/or E-mail

You hereby give Midland Mortgage Corporation and any of its affiliates your permission to receive fax transmissions and/or emails from our company, and in turn Midland Mortgage gives express permission to email and/or send fax transmissions to our active fax numbers and email addresses. This permission remains in effect until it is cancelled in writing. Y N

Signatures

The undersigned institution hereby represents and warrants that:

- 1) All information contained in this application is true, complete and accurate.
- 2) Midland Mortgage Corporation will be notified of any material change in the information provided in this application during the time after submission of this application and prior to and after approval.

The undersigned is aware that as part of due diligence in processing this application, Midland Mortgage Corporation will verify the references provided and use other resources to include, but not limited to, requesting credit information on your institution and/or principals and that Midland Mortgage hereby has your authorization to proceed.

The undersigned institution understands that Midland Mortgage Corporation will be relying on the information contained in this application and that any misrepresentation or omission may constitute a civil or criminal violation and may be cause for suspension or termination of the relationship with Midland Mortgage Corporation.

The individual executing this document below represents that such person is duly authorized to sign this statement on behalf of the applicant.

Signature

Date

Name

Title

Company

Mortgage Fraud

MORTGAGE FRAUD IS INVESTIGATED BY THE FBI



Mortgage fraud is investigated by the Federal Bureau of Investigation and is punishable by up to 30 years in federal prison or a \$1,000,000 fine, or both. It is illegal for a person to make any false statement regarding income, assets, debt or matters of identification, or to willfully overvalue any land or property, in a loan or credit application for the purpose of influencing in any way the action of a financial institution.

Some of the applicable federal criminal statutes that may be charged in connection with mortgage fraud include:

- 18 U.S.C. § 1001 – Statements or entries generally
- 18 U.S.C. § 1010 – HUD and Federal Housing Administration transactions
- 18 U.S.C. § 1014 – Loan and credit applications generally
- 18 U.S.C. § 1028 – Fraud and related activity in connection with identification documents
- 18 U.S.C. § 1341 – Frauds and swindles by mail
- 18 U.S.C. § 1342 – Fictitious name or address
- 18 U.S.C. § 1343 – Fraud by wire
- 18 U.S.C. § 1344 – Bank fraud
- 42 U.S.C § 408(a) – False Social Security Number

Unauthorized use of the FBI seal, name and initials is subject to prosecution under Sections 701, 709 and 712 of Title 18 of the United States Code. This advisement may not be changed or altered without specific written consent of the Federal Bureau of Investigation and is not an endorsement of any product or service.

Broker/Correspondent Signature

Date

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Loan Purchase Agreement

This Mortgage Broker/Correspondent Agreement (“Agreement”) is entered into as of _____ by and between Midland Mortgage Corporation, a South Carolina Company (herein “Lender”) and _____, a _____ (type of entity) (herein “Broker/Correspondent”).

WHEREAS, from time to time, Broker/Correspondent may submit to Lender for underwriting and funding consideration certain single-family residential first and second mortgage loan application packages that meet the eligibility requirements of those mortgage loan programs then offered by Lender (hereinafter “Application Package” or “Application Packages”) subject to the terms and conditions set forth herein;

WHEREAS, this Agreement shall prescribe herein and govern the manner of the Broker/Correspondent’s submission of such Application Packages to Lender;

NOW, THEREFORE, in consideration of the foregoing recitals, premises, covenants and mutual agreements herein contained, and for other good and valuable consideration paid by each party to the other, the receipt and sufficiency of which is hereby acknowledged by each party hereto, the parties hereby agree as follows:

Agreement

1. General Broker/Correspondent Responsibilities. Broker/Correspondent will, at Broker/Correspondent’s sole cost and expense, unless otherwise agreed to in writing, perform those services as are required or directed by Lender to prepare, process and submit Application Packages to Lender for underwriting consideration, and to facilitate the closing of Application Packages approved for funding by Lender

2. Underwriting of Mortgage Loan Applications. Upon receipt of an Application Package from Broker/Correspondent, Lender shall underwrite the Application Package on the basis of Lender’s then applicable underwriting criteria and secondary market standards, as amended from time to time by Lender, in its sole discretion. Lender shall have the right, in its sole and absolute discretion, to determine the acceptability of an Application Package for underwriting and funding, and Broker/Correspondent shall not represent to any person, including any applicant, that Lender has approved or will approve the Application Package, or that Lender has issued or will issue a commitment to fund any Application Package unless and until Broker/Correspondent is so informed by Lender in writing. All loans resulting from Application Packages shall close in Lender’s name and with funds provided by or through Lender unless Lender approves otherwise.

3. Broker/Correspondent Fees and Costs.

(a) Broker/Correspondent shall be entitled to negotiate with and receive from the applicant(s), payable at the time of funding, a reasonable Broker/Correspondent fee for its Services, provided that such Broker/Correspondent fee does not exceed the fee, or range of fees, that is typical for the type and amount of the mortgage loan applied for in Broker/Correspondent’s market area and is allowed under Federal Regulations to include all updated RESPA and Dodd Frank Act requirements. Broker/Correspondent shall disclose the fee which it charges to any applicant(s) on the Good Faith Estimate in accordance with all applicable legal requirements. Lender will cause Broker/Correspondent’s fee to be disclosed on the HUD-1 Settlement Statement, and to be collected at closing and remitted to Broker/Correspondent.

(b) From time to time, Lender shall provide or make available to Broker/Correspondent certain pricing sheets that will set forth the terms of various loan programs then offered by Lender. Notwithstanding the foregoing, prior to Lender’s issuance of a loan commitment to an applicant, Lender reserves the right to modify, amend, or change, in its sole discretion, the loan programs and the terms thereof, including the pricing of such loan programs. Lender shall have no obligation to pay Broker/Correspondent any sum owed to

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Broker/Correspondent by an applicant, nor shall Lender have any obligation to pay Broker/Correspondent any sum for any Application Package which Lender does not close and fund for any reason whatsoever.

(c) In the event that Broker/Correspondent withdraws a submitted Application Package from Lender after Lender's underwriting approval and the preparation of a loan closing package Broker/Correspondent shall pay Lender two hundred twenty five dollars (\$225.00), which amount both parties agree is reasonable for Lender's actual services performed.

4. Broker/Correspondent's Representation and Warranties. Broker/Correspondent represents and warrants to Lender, as of: (i) the date of execution hereof; (ii) the date of any Application Package is submitted hereunder to Lender; (iii) the date any loan is funded as a result of any Application Package submitted hereunder; and (iv) any other date as indicated or as the context may require, that:

(a) If a corporation, Broker/Correspondent is a corporation, and if a partnership, Broker/Correspondent is a partnership, duly organized, validly existing and in good standing under the laws of its state of organization. Broker/Correspondent is properly licensed, or is exempt, and qualified to transact business in all jurisdictions where it originates Application Packages and to conduct all activities contemplated by this Agreement. Broker/Correspondent further covenants to notify Lender immediately upon the suspension, revocation, expiration, or other termination of any licenses, registrations, or qualifications, or the taking of any action by any lender, investor, regulatory or supervising agency against Broker/Correspondent which could adversely affect any of the Broker/Correspondent's licenses, registrations, or qualifications.

(b) Broker/Correspondent has all requisite power, authority and capacity to enter into this Agreement and to perform its obligations hereunder. The execution and delivery of this Agreement and any related agreements and instruments and the consummation of the transactions contemplated hereby and thereby, each have been duly and validly authorized by all necessary action. Broker/Correspondent's compliance with the terms and conditions of this Agreement will not violate, contravene, or conflict any provision of its charter documents, any instrument, or any other agreement, law or regulation to which Broker/Correspondent is a party or to which it is subject.

(c) No representation, warranty or written statement made by or on behalf of Broker/Correspondent in this Agreement, or in any written or verbal communication made to Lender in connection with the Application Packages contemplated hereby, contains, or will contain, any untrue statement of a fact or omits, or will omit, to state a fact necessary to make the statements contained herein or therein not misleading.

(d) Each Application Package has been submitted in compliance with the requirements of this Agreement and all applicable legal requirements. Broker/Correspondent has no knowledge of any circumstances or conditions with respect to any Application Package or the related mortgaged property or loan applicant which Broker/Correspondent reasonably believes could be expected to cause the resulting mortgage loan to become delinquent or adversely affect the value or marketability of such mortgage loan. Broker/Correspondent has committed no act or omission that will impair or invalidate Lender's interest in, or the enforceability of, any such mortgage loan. All information and documents submitted by or on behalf of a loan applicant to Broker/Correspondent and by Broker/Correspondent to Lender pursuant to this Agreement are genuine and the information contained in such documents is true, correct, currently valid, and complete.

(e) In connection with its solicitation, processing, and delivery of Application Packages to Lender, Broker/Correspondent, on behalf of itself and each person involved in the Application Package, has complied and will comply with all applicable federal, state and local legal requirements, including without limitation: the Equal Credit Opportunity Act and its Regulation B; the Fair Housing Act; the Home Mortgage Disclosure Act and its Regulation C, with respect to accurately completing the Government Monitoring Information requested on each Application Package; the Real Estate Settlement Procedures Act and its Regulation X; and, the Truth-in-Lending Act and its Regulation Z. To the extent applicable, Broker/Correspondent, on behalf of itself and each person involved in the Application Package, has further complied and will comply with all rules, requirements, and regulations, as amended and modified from time to time, of the Federal National Mortgage Association (FNMA), the Federal Home Loan Mortgage Corporation (FHLMC), the Federal Housing Authority, The Government National Mortgage Association (GNMA), The Department of Housing and Urban Development (HUD).

(f) With respect to each applicant who's Application Package has been submitted by Broker/Correspondent to Lender for funding consideration pursuant to this Agreement, Broker/Correspondent

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has observed and shall observe and fully discharge the fiduciary duties owed by Broker/Correspondent to applicant under applicable law. In particular, and without limitation to the foregoing, whenever required by such fiduciary duty, Broker/Correspondent, its employees and/or agents has provided to applicant(s) any and all requisite disclosures and has obtained any and all requisite agreements and authorizations. All services performed by Broker/Correspondent were performed to the full satisfaction of applicant(s) and in accordance with accepted and customary standards in the mortgage lending industry generally, and Broker/Correspondent is not aware of any dispute or claim by any applicant that all such services were not fully and satisfactorily performed.

5. Non-Disclosure, Confidentiality and Privacy

(a) The parties contemplate that in the course of the Agreement that Broker/Correspondent will have access to certain information belonging to Lender that is proprietary and confidential. All parties agree to keep strictly confidential all Confidential Information, as defined herein below, and will not, without the express written authorization of Lender use or sell, market or disclose any Confidential Information to any third person, firm, corporation or association for any purpose. The term "Confidential Information" as used in this Agreement, means any proprietary information relating directly to Lender's business, including, but not limited to: this Agreement, products, investors, customer lists, pricing policies, employment records and policies, operational methods, marketing plans, strategies, product development, techniques or plans, business acquisition plans, and other business and financial affairs of Lender and Lender's affiliated companies and subsidiaries.

(b) Midland Mortgage agrees that it shall (or in the case of any third parties with whom it provides any services to Broker/Correspondent hereunder will cause such third parties) to fully comply with all applicable laws, rules and regulations including but not limited to those governing privacy and confidentiality of information, including but not limited to 15 USC §§ 6801-6809; 42 U.S.C. 1395; 12 CFR §§716, 717 and 748 and/or 16 CFR §682 together with any appendices or regulatory commentary that accompanies such laws (together "laws") as well as industry confidentiality and privacy standards such as PCI Data Security Standards ; and to provide Broker/Correspondent with proof of such compliance sufficient to evidence compliance with said laws upon reasonable request.

6. Indemnification / Repurchase

(a) Broker/Correspondent hereby indemnifies Lender and its officers, directors, agents, successors, and assigns, and agrees to defend and hold Lender, and its officers, directors, agents, successors, and assigns harmless from and against any and all claims, counterclaims, defenses, losses, damages, demands, costs or other liabilities, including reasonable legal fees arising out of or in any way related to or in connection with any breach by Broker/Correspondent of any of the Broker/Correspondent's covenants, warranties, agreements, duties, or obligations under this Agreement.

(b) In addition to any other remedies of Lender set forth herein and available at law, Broker/Correspondent agrees that if any loan sold to MMC fails to meet the representations, warranties (to include those warranties in the Fannie Mae/Freddie Mac/FHAVA Sellers Guides when applicable) or any other covenant set forth herein; or after purchase by MMC any material misstatements of facts regarding the credit worthiness of the borrower and/or any type of fraud are found; upon request by MMC, whether or not the Correspondent had actual knowledge of the violation, the Correspondent shall immediately repurchase said loan.

(c) In the event that Broker/Correspondent fails to pay Lender any sums due under this Agreement, or which are owed to the Lender pursuant to this Section 6, Lender shall be permitted to offset such sums from any amounts which are due or become due to Broker/Correspondent pursuant to the terms of this Agreement.

7. Non-Solicitation / Premium Recapture. Broker/Correspondent covenants and agrees that it shall not take any action to solicit the refinancing of any mortgage loan resulting from an Application Package following the closing and funding by Lender or provide information to any other entity to solicit the refinancing of any such mortgage loan; provided that, the foregoing shall not preclude the Broker/Correspondent from engaging in solicitations to the general public by newspaper, radio, television or other media which are not directed toward the applicable applicants of any Application Package. In the event any mortgage loan is prepaid in full within a period of One Hundred Twenty (120) days following the loan funding date, the Broker/Correspondent shall promptly reimburse Lender any compensation paid by Lender to Broker/Correspondent in connection with the funding of the Application Package.

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8. Termination of Agreement. This Agreement may be terminated by either party, with or without cause, upon written or oral notice to the other and Broker/Correspondent shall not submit Application Packages to Lender after notice of termination. Termination shall not in any respect change, alter, modify or terminate the obligations of any party, including the representations and warranties of Broker/Correspondent with respect to Application Packages which have been submitted by Broker/Correspondent to Lender prior to the effective date of such termination.

9. Governing Law. This Agreement and the rights and obligations of the parties hereunder shall be construed in accordance with and governed by the laws of South Carolina, without giving effect to the conflict of law principles thereof.

10. Further Assurances. Broker/Correspondent shall execute and deliver all such instruments and take all such actions as Lender may reasonably request from time to time in order to effectuate the purposes and to carry out the terms of this Agreement. In the event Lender receives notice that any applicant has exercised his or her right of rescission after Lender has disbursed funds, Broker/Correspondent shall promptly return to Lender all amounts collected by Broker/Correspondent from applicant and Lender in connection with the Application Package.

11. Maintenance of Insurance. Broker/Correspondent shall maintain at all times during the term of this Agreement at its own expense such insurance as is required by applicable legal requirements, and that is otherwise appropriate given the nature of Broker/Correspondent's business, including: (i) hazard and liability insurance; (ii) an errors and omissions policy or policies, and (iii) a blanket fidelity bond.

12. Miscellaneous.

(a) Notices. All notices, requests, consents, and other communications hereunder shall be deemed to have been given either (i) if by hand at the time of delivery thereof to the receiving party at the address of such party set forth below, (ii) if made by facsimile transmission, at the time that receipt thereof has been acknowledged by electronic confirmation or otherwise, (iii) if sent by overnight courier, on the next business day following the day such mailing is made, or (iv) if sent by registered mail, on the fifth business day following the day such mailing is made.

(b) Entire Agreement. This Agreement constitutes the entire agreement and understanding between the parties hereto and supersedes all prior oral or written agreements and understanding relating to the subject matter hereof. No statement, representation, warranty, covenant, or agreement of any kind not set forth herein or incorporated into this Agreement by reference shall affect, or be used to interpret, change or restrict, the express terms and provisions of this Agreement. The terms and provisions of this Agreement may not be modified, amended, or supplemented unless executed in writing by all parties hereto.

(c) Waivers. No term or provision of this Agreement may be waived or modified unless such waiver or modification is in writing and signed by the party against whom such waiver or modification is sought to be enforced. The Lender's failure or delay to audit any Application Package or discover any breach of this Agreement by Broker/Correspondent prior to funding an Application Package shall not act as waiver of any right or remedy of such breach, nor shall any single or partial exercise of any right or remedy preclude any other or further exercise thereof. All of Lender's rights and remedies hereunder shall be cumulative and nonexclusive.

(d) Assignment. Broker/Correspondent may not assign this Agreement or delegate its obligations or duties hereunder without the prior written consent of Lender, which consent may be withheld by Lender, in its sole and absolute discretion, for any reason or no reason.

(e) Benefit. All statements, representations, warranties, covenants, and agreements in this Agreement shall be binding on the parties hereto and shall inure to the benefits of the respective successors and permitted assigns of each party hereto. Nothing in this Agreement shall be construed to create any rights or obligations except among the parties hereto, and no person or entity shall be regarded as a third-party beneficiary of this Agreement.

(f) Severability. In the event that any court of competent jurisdiction shall determine that any provision contained in this Agreement shall be unreasonable or unenforceable in any respect, then such provision shall

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be deemed limited to the extent that such court deems it reasonable and enforceable, and as so limited, shall remain in full force and effect. In the event that such court shall deem any provision wholly enforceable, the remaining provisions of this Agreement shall nevertheless remain in full force and effect.

(g) Interpretation. The parties hereto acknowledge and agree that the terms and provision of this Agreement shall be construed fairly as to all parties hereto and not in favor of or against any party, regardless of which party was generally responsible for the preparation of this Agreement.

(h) Counterparts. This Agreement may be executed in one or more counterparts, and by different parties hereto on separate counterparts, each of which shall be deemed original, but all of which together shall constitute one and the same instrument.

(i) Attorney Fees. If either party institutes litigation under this Agreement against the other party, the prevailing party shall be entitled to be reimbursed by the other for reasonable attorney's fees and costs paid or incurred by the prevailing party in connection therewith.

(j) Relationship. Nothing herein contained shall be deemed or construed to create a partnership, agency or joint venture between the parties hereto. The services of Broker/Correspondent shall be rendered as an independent contractor and not as agent for Lender, and Broker/Correspondent shall not represent to any applicant(s) that it is an agent for Lender. This Agreement creates a non-exclusive relationship between the parties.

(k) Express Consent. Broker/Correspondent expressly provides permission to Lender to deliver to Broker/Correspondent faxes and electronic mail concerning Lender's loan programs and other offers that may interest Broker/Correspondent. Broker/Correspondent shall immediately inform Lender in writing of any change in or discontinuation of Broker/Correspondent's fax number or electronic mail address.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, as of the day first written above.

(l) Privacy. Midland Mortgage agrees that it shall (or in the case of any third parties with whom it provides any services to Broker/Correspondent hereunder will cause such third parties) to fully comply with all applicable laws, rules and regulations including but not limited to those governing privacy and confidentiality of information, including but not limited to 15 USC §§ 6801-6809; 42 U.S.C. 1395; 12 CFR §§716, 717 and 748 and/or 16 CFR §682 together with any appendices or regulatory commentary that accompanies such laws (together "laws") as well as industry confidentiality and privacy standards such as PCI Data Security Standards ; and to provide Broker/Correspondent with proof of such compliance sufficient to evidence compliance with said laws upon reasonable request.

BROKER/CORRESPONDENT,

By: _____

Its: _____

Address: _____

Phone: _____

Fax: _____

E-mail: _____

LENDER,

Midland Mortgage Corporation

By: _____

Its: _____

Address: 1500 Richland Street

Columbia, SC 29212

Phone: _____

Fax: _____

E-mail: _____