

# OAKTREE FUNDING CORP.

## APPLICATION FOR BROKER APPROVAL

To establish your Broker Approval, please complete and return this form along with all Required Documentation.

### REQUIRED DOCUMENTATION- All items are required

- ☐ Completed and Signed Broker Application
- ☐ Copy of all Broker Licenses / Copy of filed DBA (if applicable)
- ☐ Copy of Licenses/Resumes for Broker of Record
- ☐ Signed W-9 Form
- ☐ Signed Broker Agreement
- ☐ Completed Reference form
- ☐ Signed Authorization to Release Form
- ☐ Current Financial Statement (100,000.00 required for FHA)
- ☐ Corporate Resolution (if a corporation)
- ☐ Copy of Articles of Incorporation
- ☐ Copy of NMLS Consumer Access Printout / Hud Approval Letter (if applicable)
- ☐ Signed Compensation Agreement

Account Executive Name: \_\_\_\_\_

### COMPANY INFORMATION      NMLS#

Company Name (Legal Name): \_\_\_\_\_

Using a dba as: \_\_\_\_\_

Address: \_\_\_\_\_ City: \_\_\_\_\_

State: \_\_\_\_\_ Zip: \_\_\_\_\_ Phone: (    ) \_\_\_\_\_ Fax: \_\_\_\_\_

Company Type: ☐ Corporation ☐ Partnership ☐ Sole Proprietorship Company in

Business Since: \_\_\_\_\_ Federal Tax ID# \_\_\_\_\_

Number of Agents: \_\_\_\_\_ FHA Approved: ☐ Yes ☐ No

Number of First Mortgages past 12 mo.: \_\_\_\_\_ Average Loan Amount: \_\_\_\_\_

Number of 2nd Mortgages past 12 mo.: \_\_\_\_\_ Average Loan Amount: \_\_\_\_\_

Broker Name: \_\_\_\_\_ License #: \_\_\_\_\_

E-Mail Address \_\_\_\_\_ License Exp. Date: \_\_\_\_\_

Web-Page Address \_\_\_\_\_

I certify that the above information is true and correct under the penalty of perjury.

X \_\_\_\_\_ Date: \_\_\_\_\_

## REFERENCES

Company: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Contact: \_\_\_\_\_

Company: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Contact: \_\_\_\_\_

Company: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Contact: \_\_\_\_\_

Company: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Contact: \_\_\_\_\_

Company: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Contact: \_\_\_\_\_



# OAKTREE FUNDING CORP.

## Wholesale Mortgage Broker Agreement

This Mortgage Broker Agreement (hereinafter referred to as "Agreement") is entered into this \_\_\_\_\_ Day of \_\_\_\_\_, 20\_\_\_\_, by and between Oaktree Funding Corp. with corporate office located at: 1298 W. 7<sup>th</sup> Street, Upland, CA 91786 NMLS# 71640 (hereinafter collectively referred to as "Lender / OFC") and \_\_\_\_\_ NMLS # \_\_\_\_\_ (hereinafter referred to as "Broker").

### Recitals

- A. Broker is engaged in the activity of originating residential mortgage loans evidenced by notes secured by mortgages on real property for mortgage lenders; and
- B. Lender is engaged in the activity of, among other things, accepting brokered loans; and
- C. Lender and Broker desire to enter into this agreement to govern the brokering of loans by Broker to Lender; and
- D. Lender and Broker wish to establish a nonexclusive relationship whereby Broker will submit loan packages ("Loans") to Lender on behalf of Broker clients ("Borrowers") for possible funding;
- E. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original but all of which taken together shall constitute one and the same instrument. Signatures to this Agreement transmitted by facsimile, email, portable document format (.pdf) or by any other electronic means intended to preserve the original graphic and pictorial appearance of this Agreement shall have the same effect as the physical delivery of the paper document bearing original signatures.

Now therefore, in consideration of the mutual covenants and benefits herein set forth, the parties hereto, intending to be legally bound, agree as follows:

### Agreement

- 1. **Nonexclusive Agreement:** Nothing contained herein shall obligate Broker to submit all Loan funding requests that it brokers to Lender, in being understood that this shall be a nonexclusive agreement. Nothing contained herein shall obligate Lender to fund Loans submitted by Broker without Lender's prior review and approval at Lender's sole discretion.
- 2. **Relationship of Parties:** It is agreed that Broker and Lender are not partners nor participating in a joint venture and that Broker is acting as an agent for Lender in originating and brokering of Loans to Lender, but shall have the status of and shall act in all matters hereunder as an independent contractor. Nothing herein shall be construed to give Broker any authority to contract for or on behalf of Lender for any goods or services or impose any liability of any kind or nature upon Lender
- 3. **General Broker Responsibility:** Broker will at Broker's sole expense perform those services referenced in section 11.9 below in consideration for such fees as set forth in Exhibit "A" which is incorporated herein by reference. Such fees may be paid in whole by the Borrower or by the Lender, provided, that no fees shall be payable to Broker which have not been fully disclosed to, and approved by, both Lender and Borrower. The contents of all Loan package and other information submitted to Lender ("Application Package") shall become the property of Lender upon Loan closing, and all information contained therein may be subject to Lender's independent verification. No fee shall be owed to Broker on account of any proposed Loan which is not funded and closed, and Lender shall have no obligation under this Agreement to Broker if a Loan fails to close and fund, for whatever reason except that Lender will fund any loans submitted to Lender by Broker, which conform within its reasonable discretion with its lending criteria, policies and guidelines then in effect and which may change from time to time ("Lending Criteria").
- 4. **Loan Approval:** Lender hereby retains the absolute right, in its sole discretion to approve a Loan. Approval shall be within Lender's Lending Criteria. Broker shall not represent that lender has approved or will approve any loan until broker is so informed by Lender in writing. All loans shall close in Lender's name (except as otherwise agreed upon by both parties in writing).
- 5. **Underwriting of Loan:** The decision to approve and/or fund any loan application package shall be in the sole discretion of Lender in accordance with its then prevailing underwriting standards and requirements existing at the time of

underwriting the complete Loan or as may be modified from time to time. Broker understands and agrees that under no circumstances shall Lender be responsible to pay for any third party service(s) commissioned by or on behalf of Broker or to reimburse Broker for such service(s). Nothing in this Agreement shall constitute nor create any liability on the part of Lender to pay, nor reimburse, Broker for any cost(s) of doing business such as, and without limitation, commissions, salaries, utilities, rent nor any other expense associated with Broker's business activities. Notifications of Actions: Lender shall notify Broker in writing or by telephone at the sole discretion of lender of the approval or rejection of each completed Loan package. For each Loan accepted by Lender, Lender would generally be able to fund such Loan after approval, provided that all written conditions are satisfied and all documentation as required by Lender accompanies the Loan package including but not limited to the following:

- a. Properly completed and executed Deed of Trust.
  - b. The Borrower's Note, properly completed and executed.
  - c. All required property and casualty insurance policies naming Lender as Loss Payee.
  - d. All required copies of disclosure documents.
7. Fees Due to Broker: Any fee, commission, or other consideration payable to Broker with respect to any Loan shall be paid only after Lender deducts from loan proceeds all Lender's fees and charges. No fee shall be owed to Broker on account of any proposed Loan which is not funded and closed.
8. Failure to furnish a Complete Loan Package: In the event that Broker fails to furnish to Lender any documentation requested or desired by Lender with respect to any Loan, Lender shall have the option, at its sole and absolute discretion, to (i) commit to make the Loan on the basis of the documentation provided, (ii) commit to make the Loan subject to delivery by Borrower or Broker to Lender of such documentation as Lender specified in writing at the time such commitment is made, or (iii) reject the loan.
9. Use of Acceptable Vendors: Lender will not acknowledge any real estate appraiser, credit reporting agency or other vendor in connection with the preparation or submission of any Loan package that is not acceptable to Lender. In the event that Broker should submit a Loan package including information or reports from a person or entity not deemed acceptable by Lender. Lender may reject or accept the Loan package in accordance with Section 8 above.
10. Authorization to obtain business Credit Report: Broker authorizes Lender to obtain a business credit report on Broker upon mutual execution of this Agreement and from time to time thereafter as deemed necessary or appropriate by Lender. Broker acknowledges and agrees that in the course of its business lender conducts quality control audits of Loan packages. Lender shall have the right to review the files of Broker related to Loan packages submitted to Lender during Broker's normal business hours.
11. Broker's Warranties: Broker represents and warrants to Lender, as of (i) the time any loan package is submitted to Lender, and (ii) as of the time the Loan is funded and closed, through the life of the Loan, that:
- 11.1 Authority and Capacity: Broker is a duly organized and validly existing entity in good standing under applicable laws of the state of California and/or in such state or other states in which it is engaged in the business of brokering or originating mortgage loans, and that it has the requisite authority and capacity to enter into this Agreement and this Agreement has been duly authorized, executed and delivered by Broker and constitutes a valid and binding obligation of Broker, enforceable in accordance with its terms. Broker's compliance with the terms and conditions of this Agreement will not violate any provisions of its charter documents, any instrument relating to the conduct of its business, or any other agreement, law or regulation to which it may be a party or under which it may be governed.
  - 11.2 No Untrue Statement: None of the statements or information contained in any document submitted with or included as part of an application package, or in any document reviewed in connection with lender's underwriting decision, contains or will contain any misleading, false or erroneous statements, or omit facts necessary to make such statements or information accurate and understandable in every respect.
  - 11.3 Absence of Claims: There is no pending or threatened any suit, action, arbitration, or legal, administrative or other proceeding or investigation (including an allegation of fraud by another lender) against broker or its current or former owners, agents, or employees which could have a materially adverse effect on the broker's business, assets, financial condition, or reputation, or upon any Loan submitted for funding by Lender.
  - 11.4 Control of Documents: No Broker shall have had in its direct or indirect possession or control any credit, income, or deposit verification document submitted to Lender with respect to any Loan;

11.5 Duly Licensed: Broker must possess all necessary licenses, permits, and authority to engage in the activities contemplated by the Agreement. When applicable, Broker's license number and its expiration date will be requested by Lender to insure that the holder of one or more valid brokerage or other applicable license(s) bearing number(s) issued by the State(s) of which the Broker shall maintain in good standing and is in compliance with any applicable laws throughout the term of this Agreement;

11.6 Ownership: Broker has no direct or indirect ownership interest in any property acting as security for the Loan.

11.7 Compliance with Laws: Broker and each other person involved in the Loan transaction has complied and will comply with all applicable state and federal laws and regulations, with respect to the Loans and the activities of Broker. The Broker and each other person involved in the Loan transaction is in full compliance in all respects with all rules and regulations of all real estate and mortgage lending regulatory and supervisory agencies as are applicable to Broker and such person(s). Broker covenants to maintain all licenses and approvals on a current basis and to keep itself in good standing other termination of any licenses or approvals, or of the taking of any action by any such agency against Broker or such person(s) which could adversely affect the Broker's licenses and approvals.

11.8 Fees paid to Broker:

- a. All fees or compensation of whatever kind received or to be received by Broker have been disclosed to Lender at the time of delivery of an Application Package to Lender.
- b. Broker shall accept no fee or compensation of any kind from any source which has not been disclosed to Lender at the time of delivery of the Application Package.
- c. Broker shall at all times comply with all Lender policies regarding fees and compensation paid to brokers which may from time to time be delivered in writing to Broker.
- d. Broker will comply with all applicable Loan Origination Compensation laws and regulations, both state and federal, as may then be in effect.
- e. Broker shall not accept or agree to accept any fee or compensation with regard to any Loan, which is paid by the borrower, the seller of any property (whether by credit, payment or otherwise), any down payment assistance program or from any 3rd party without the written permission of the Lender.

11.9 Services to Borrower: At all times during the term of this Agreement, with respect to each Borrower whose application has been submitted to Lender, Broker has observed and shall observe and fully discharge the duties owed by mortgage brokers to their clients under applicable law. In addition to having assisted Borrower in the completion of his or her loan application, Broker has fully and satisfactorily performed at least five (5) of the services set forth in Exhibit "B" to this Agreement. All services were performed and in accordance with accepted and customary standards in the mortgage lending industry generally, and Broker are not aware of any dispute or claim by any borrower that all such services were not fully and satisfactorily performed.

11.10 Authority: That Broker is a (corporation/proprietorship/partnership) duly organized, validly existing and in good standing and is authorized to do business in the State of \_\_\_\_\_. This Agreement and all actions provided for herein have been duly authorized by Broker's Board of Directors, if Broker is a corporation, or by such individual or individuals empowered and authorized to enter into agreement on behalf of Broker. Broker shall provide Lender with evidence reasonably satisfactory to lender of such authorization. The performance of Broker's duties under this Agreement to which it may be party or any court order, judgment or decree to which it may be subject;

11.11 Valid Documents: The broker hereby certifies that all documents submitted by Broker in connection with Loan packages submitted to Lender are in every respect valid and genuine, being that what is on their face is what they purport to be and all information (credit or otherwise) submitted in connection with such Loan packages is true and accurate; to the extent that the broker has performed some type of due diligence to verify this statement.

11.12 Sale of a Loan: Broker has no knowledge of any circumstances or conditions with respect to any Loan, mortgaged property, mortgage or mortgagor's credit standing that can be reasonable expected to cause any governmental, quasi-governmental or private institutional investors to regard any Loan as an unacceptable investment, cause any Loan to become delinquent, or adversely affect the value or marketability of any Loan.

12. Status of Broker: Nothing in this Agreement shall be construed as the Broker being deemed a joint venture, partner, representative, employee or agent of Lender. Broker shall not hold itself out as such, nor shall it use Lender's name in any advertising. Broker's decision to submit application packages to Lender has been made in consultation with Borrower
13. Broker's Indemnification: Broker shall indemnify and hold Lender and its Affiliates, shareholders, Director, officer, agents, employees, successor, and assigns harmless from and against, and shall reimburse the same with respect to, any and all loss, damage, demands, claims, liability, costs, and expenses, including reasonable attorney's fee, from any cause whatsoever, incurred by reason of or arising out of or in connection with: (i) any breach of any representation or warranty contained in Section 11 above, (ii) Broker's failure to perform any obligation set forth on the Agreement, or (iii) any claim by a Borrower resulting from Lender's failure or refusal to fund a Loan (collectively, a "Loss"). Without limiting the generality of the foregoing, Broker's indemnity shall extend to all repurchase demands of any third party to which Lender has sold any Loan. Broker's obligation to indemnify Lender under this agreement shall arise upon (i) Lender's notification of Broker that a Loss has occurred or (ii) automatically upon Lender's receipt of a Loan repurchase demand from a secondary market investor which Lender determines in its sole and absolute discretion to be enforceable, even if Lender has not incurred any Loss with respect to such Loan.
14. Lender's Rights: Broker's obligation to fully indemnify Lender under this Agreement shall not be affected by Lender's taking any of the following actions with or without notice to Broker: (i) liquidation, repayment, retirement, or sale or resale of any Loan; (ii) foreclosure of any Loan, including without limitation Lender's acquisition of the property securing a Loan by making a full credit bid at such foreclosure sale; or (iii) sale or resale of the property securing the Loan.
15. Disclosure of Information: Broker acknowledges and agrees that Lender may report to appropriate state or federal regulatory authorities or law enforcement agencies, instances of Broker making any misstatement in connection with a Loan, or Broker's knowingly aiding a Borrower or any other party involved in the Loan transaction to do the same. In addition, Broker shall make prompt, timely, full, accurate and truthful disclosures to Lender of all facts, information and documentation which Broker may know, suspect, or have notice of, which could affect or has affected the validity, collectability, collateral value, security, and enforceability of any Loan brokered by Broker for funding, by Lender.
16. Repurchase Agreement: In the event of breach of Section 11 including the subparagraphs hereof, and the Loan in Question in closed and funded by Lender, Broker agrees to repurchase such Loan immediately upon written demand from Lender. Therefore, the repurchase amount is set forth in Section 15 hereof. Broker agrees that any breach Section 11 may not be adequately compensable in damage alone. Furthermore, Broker agrees that in the event of any breach of Section 11, Lender shall, without limitation, be entitled to seek and obtain equitable relief by way of specific performance or otherwise to enforce Broker's repurchase obligation hereunder.
17. Repurchase Amount: A repurchase pursuant to Section 14 hereof shall be priced as follows:
  - a. The original principal amount of the Loan, less principal reduction; plus
  - b. All interest accrued but unpaid on the principal balance of the Loan from the date of funding by lender through and including the first day of the month following the month the repurchase is made; plus
  - c. All costs and expenses incurred by Lender in connection with the origination, processing and funding of the Loan; plus
  - d. All costs and expenses incurred by Lender in enforcing Broker's obligation to repurchase such loan, including, without limitation, reasonable attorney's fees and costs of suit.
18. Early payoff /Premium Recapture/First Payment Defaults: In the case where Lender pays Broker Lender Paid Premium and Borrower paid premium on a Mortgage Loan, and loan debt is paid off within 6 (six) payments from initial payment as stipulated by the Note, Broker shall upon demand refund to Lender the entire Lender Paid Compensation and borrower credited premium paid by Lender for the Loan.

Furthermore, Breaches of warranty with respect to the mortgage loans funded by the Lender, the Broker is required to repurchase the Mortgage Loans from the Lender in accordance this Agreement as specified in Sections 16 and 17 Mortgage loans that are in 1<sup>st</sup> payment default, early payment default, or already in the process of being foreclosed or are expected to be foreclosed or liquidated within 270 days from the date of funding, the Broker, upon written request from the Lender irrevocably and unconditionally, agrees to indemnify and reimburse in full the Lender on demand (i) the Lender Paid Compensation and Borrower paid premium that was issued for that Mortgage Loans to the Broker (ii) the Repurchase Price and (iii) any and all expenses in connection with the foreclosure and subsequent sale of the related Mortgage Property (the "Foreclosure Expenses") to the extent the amounts obtained in the foreclosure proceedings are insufficient to cover the Repurchase price and foreclosure Expenses. It is understood and agreed that the indemnification obligations of the Broker provided under this Agreement.

The Broker agrees to provide to the Lender, in immediately available funds to offset any shortfall amounts the Broker owes to the Lender, as described above. If the Broker fails to remit to the Lender the Advance Amount by the Advance Payment Date, the Broker shall immediately pay the Lender the Repurchase Price, any and all foreclosure Expenses for the Mortgage Loan.

Notwithstanding the foregoing, the Lender may at its sole discretion at any time without any notice to the Broker deduct from the offset against future funding under the Mortgage Broker Agreement or otherwise any amounts in addition to the Advanced Amount owed by the Broker to the Lender in connection with any purchase transaction between the Broker and the Lender or the Lender may demand payment in full for an outstanding and unpaid amounts to the Broker. All such amounts, including, but not limited to Advance Amount, are and shall at all times be deemed the sole property of the Lender, and the Broker irrevocably and unconditionally waives, and shall not have, any right, claim or interest whatsoever in such amounts, and the Broker irrevocably and unconditionally discharges, releases, indemnifies and holds harmless the Lender as set forth in Section 12.

The Broker hereby irrevocably and unconditionally agrees the lender or its designee may, in its sole discretion, take any action to sell or liquidate the Mortgage Loans or the related Mortgaged Property, including without limitation a sale or liquidation in the form of a foreclosure, deed-in-lieu of foreclosure, charge-off, short sale, pr scratch and dent sale (each, "Liquidation"). And such action shall be final and conclusively binding upon the Broker in determining the amount payable by the Broker to the Lender.

It is further understood should Lender or any assignee of the lender uncover breaches of Broker's Warranties expressed in Section 11 and the "Loan Fraud 'Zero Tolerance' Statement", Lender hereby expressly reserves, and does not waive its rights to (i) demand or enforce a repurchase of any mortgage loan, at any time in its sole discretion, including without limitation prior to the completion of Liquidation, or (ii) enforce any other obligations and remedies at any time in its sole discretion

19. Termination of Agreement: Either party may terminate this Agreement at any time, upon written notice to the other party; provided, however, that any termination of this Agreement shall not affect: (i) Lender's obligation to fund any Loan which Lender has committed to fund; (ii) Lender's obligation to pay any amounts due Broker under this Agreement; or (iii) the obligations of Broker with respect to Loans already funded by Lender pursuant to this Agreement, including, without limitation, the obligation of Broker to indemnify and hold Lender harmless from and against any Loss pursuant to Section 12 hereof, and to repurchase a Loan from Lender pursuant to Section 14 hereof;
20. Notice of Certain Matters: Broker hereby covenants and agrees with Lender that Broker shall promptly give written notice to Lender of:
  - a. The occurrence of any breach of a representation or warranty as set forth in Section 11 hereof;
  - b. Any litigation or proceeding affecting Broker involving amounts in the case of any such individual litigation, investigation or proceeding in excess of \$ 10,000.00 or which, regardless of the amount in controversy, if adversely determined, could have a material adverse effect on the business, operations, property or financial or other condition of the Broker or the ability of Broker to perform its obligations hereunder;
  - c. Receipt by Broker of notice from any agency concerning revocation, suspension of any other adverse action or potential action relating to any of Broker's licenses to conduct its business; and
  - d. A material adverse change in the business, operations, property of financial or other condition of Broker.
21. Miscellaneous:
  - 21.1 Governing Law: This Agreement shall be governed by and construed in accordance with the law of the State of California.
  - 21.2 Right to Offset: Amount owed by Broker to Lender under this Agreement may, at Lender's option and in its sole discretion, be offset by Lender against any payments or funds then or thereafter owed by Lender to Broker under this or any other agreement between two parties.
  - 21.3 Notices: All notices required hereunder shall be in writing and shall be deemed to have been given, made, and received only (a) upon delivery, if personally delivered to a party; (b) one business day after the date of dispatch, if by facsimile transmission or electronic transmission; (c) one business day after deposit, if delivered by a nationally recognized courier service offering guaranteed overnight delivery; (d) three business days after deposit

in the United States first class mail, certified mail, postage prepaid, return receipt requested, at the addresses appearing below.

21.4 Should Broker wishes to participate in any HUD program (FHA/USDA etc.) said Broker agrees to comply with all agency guidelines as to compensation paid to Loan Officer. HUD requires that any fee's earned from HUD insured or Guaranteed Loan that the Loan Officer must be paid and reported to IRS as W-2 income.

All notices addressed to Lender should be sent to its office at:

Oaktree Funding Corp..  
1298 W. 7<sup>th</sup> St  
Upland, CA 91786

Or another address designated in writing by Lender from time to time. All notice addressed to Broker should be sent to its office at:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Or another address designated in writing by Broker from time to time.

- 20.4 Attorney's Fee: If any legal action or other proceeding is brought for the enforcement of any provision of this Agreement, or because of an alleged dispute, breach, default, or misrepresentation in connection with any of the provisions of this Agreement, the prevailing party of parties shall be entitled to reasonable attorney's fees and other costs incurred in that action or proceeding, in addition to any other relief to which it or they may be entitled. In addition, any such suit or proceeding shall be brought in the federal or state courts located in Los Angeles County, California, which courts shall have sole and exclusive in personal, subject matter and other jurisdiction in connection with such suit or proceeding, and venue shall be appropriate for all purposes in such courts.
- 20.5 No Assignment: Broker may not assign this Agreement or any of its responsibilities under this Agreement. Lender reserves the right, upon notice, to assign its obligations and responsibilities under this Agreement to any affiliated entity engaged in the business of residential financing.
- 20.6 Entire Agreement, Amendment: This Agreement constitutes the entire agreement between the parties and supersedes all prior and contemporaneous agreements, representations understanding. No supplement, modification, of amendment shall be binding unless executed in writing by both parties hereto.
- 20.7 Waivers and Remedies: Failure or delay to audit any Loan or to exercise any right shall not act as a waiver of any other right, nor shall any single or partial exercise of any right preclude any other or further exercise thereof. No waiver of any of the provisions of the Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waive constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver. All remedies shall be cumulative and nonexclusive.
- 20.8 Partial Invalidity: If any provision of the Agreement is held to be invalid, void, or unenforceable, the remaining provisions shall nevertheless continue in full force and effect.
- 20.9 Customer Contact: Lender may contact any customer or loan applicant after receipt of the loan package from Broker, if Lender considers contact appropriate, including contact for the purposes of selling credit insurance or other products.
- 20.10 Further Assurances: Each party shall perform any further acts and execute and deliver any documents that may be reasonably necessary to carry out the provisions of this Agreement. In the event any borrower(s) exercises his, her or their right of rescission, Broker shall promptly pay to Lender or Funding Lender all amounts collected by Broker from Borrower in connection with the Loan, except where such amounts were disbursed by Broker to third party service providers.



20.11 No Solicitation: Loans originated by Broker for funding by Lender shall not be solicited by Broker for Loans for a period of 12 months from the date the Loan is funded by Lender. Borrowers requesting a loan from Broker within the 12- month period must be referred to Lender.

20.12 Provision of Information: During the term of this Agreement, and after the submission of a Loan application to Lender, Broker shall furnish Lender, all notices, communications, documents, correspondence and other materials received by Broker from any person whatsoever relating to a Loan within one day following receipt thereof by Broker, pursuant to Section 10.2 above.

IN WITNESS WHEREOF, the parties have caused their duly authorized representatives to execute this Broker Agreement as of the date first set forth above.

Broker: \_\_\_\_\_

Lender: Oaktree Funding Corp.

License No: \_\_\_\_\_

Address: 1298 W. 7<sup>th</sup> St  
Upland, CA 91786

Expiration Date: \_\_\_\_\_

Phone: 909-982-5945

Address: \_\_\_\_\_  
\_\_\_\_\_

Print Name \_\_\_\_\_

Phone: \_\_\_\_\_

Title: \_\_\_\_\_

Fax: \_\_\_\_\_

Email: \_\_\_\_\_

Signature: \_\_\_\_\_

Broker Signature: \_\_\_\_\_  
\_\_\_\_\_

Print Name

\_\_\_\_\_  
Title

## **Loan Fraud “Zero Tolerance” Statement**

All approved (“**BROKER**”) must be aware that the licensed real estate broker bears the responsibility for all actions of his or her employees or licensees. The broker is responsible for the content and quality of each application taken and each loan submitted to **Oaktree Funding Corp.** (“**OHC**”).

### **THE SUBMISSION OF A LOAN APPLICATION CONTAINING FALSE INFORMATION IS A CRIME.**

#### **TYPE OF LOAN FRAUD:**

1. Submissions of inaccurate information, including false statement on loan application(s) and falsification of documents purpose to substantiate credit, employment, deposit and asset information, personal information including identity, ownership of real property, etc.
2. Forgery of partially or predominantly accurate information.
3. Incorrect statements regarding current occupancy or intent to maintain continuing occupancy as stated in the security instrument.
4. Lack of due diligence by a Broker/Loan Officer/Processor, including failure to obtain all information required by the application and failure to request further information as dictated by Borrower’s response to questions.
5. Unquestioned acceptance of information or documentation, which is known, should be known, or should be suspected to be inaccurate.
6. Simultaneous or consecutive processing of multiple owner-occupied loans from one applicant supplying different information on each application.
7. Allowing an applicant or interested third-party to “assist with the processing of the loan.”
8. Broker’s non-disclosure of relevant information.

#### **CONSEQUENCES:**

The effects of “Loan Fraud” are costly to all parties involved. OFC stands behind the quality of its loan production. Fraudulent loans cannot be sold into the secondary market and, if sold, will require repurchase by OFC. Fraudulent loans damage our reputation. The price paid by those who participate in “Loan Fraud” is even more costly. The following is a list of the potential consequences:

#### **Consequences to Broker:**

1. Criminal Prosecution;
2. Loss of Real Estate Broker’s License;
3. Loss of Lender Access due to exchange of information between Lenders, Mortgage Insurance Companies, including submission of information to investors (FHLMC/FNMA), Police Agencies, Investigative Firms and the Department of Real Estate;
4. Civil Action by OFC; And Recovery of actual expenses on non-funded transactions
5. Civil Action by Applicant/Borrower, or Other Parties to the Transaction;
6. Loss of Approval Status with OFC.

**Consequences to Borrower:**

1. Acceleration of debt (FHLMC/FNMA Deed of Trust, revised 9/90), Item #6 states:

“Borrower shall also be in default if Borrower, during the loan application process, gave materially false or inaccurate information or statements to lender or failed to provide lender with any material information in connection with the loan evidenced by the Note, including, but not limited to, representations concerning Borrower’s occupancy of the property as principle resident.”

Foreclosure under the Borrower will not have the benefit of reinstatement in order to cure the default; the Borrower must pay-off the loan in full prior to the sale date of the property.

2. Criminal Prosecution;
3. Civil Action by OFC and Broker;
4. Civil Action by Other Parties to Transaction, such as Seller or Real Estate Agent or Broker;
5. Employment Termination;
6. Loss of Professional License, if any;
7. Adverse Effect on Credit History.

**I HAVE READ THE FOREGOING STATEMENT AND UNDERSTAND ITS CONTENTS AND OTFC’S POSITION REGARDING “LOAN FRAUD”.**

DATED: \_\_\_\_\_ “ SIGNATURE OF “BROKER OF RECORD “

DATED: \_\_\_\_\_ “ SIGNATURE OF “BROKER OF RECORD “



**OAKTREE FUNDING**  
**CORP.**

## **Fax and E-mail Permission**

Due to changes in Federal Regulations, Oaktree Funding Corp.. is required to obtain your written consent to correspond via fax and/or email. Express permission is hereby granted to the agents of **Oaktree Funding Corp..** to fax and/or email unsolicited information, Rate Sheets and advertisements pertaining to our business relationship to the following fax machine(s) and email address(es).

**Fax Number(s):**

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**Email Address(es):**

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**Name** \_\_\_\_\_

**Broker/Firm** \_\_\_\_\_

**DBA** \_\_\_\_\_

**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

# Corporate Resolution

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\_\_\_\_\_  
Name of Corporation

RESOLVED FIRST, that

\_\_\_\_\_, the \_\_\_\_\_, and

\_\_\_\_\_, the \_\_\_\_\_, and

\_\_\_\_\_, the \_\_\_\_\_

of this \_\_\_\_\_(state) Corporation , or any one or more of them or their duly elected or appointed successors in office, by and each of them is hereby authorized and empowered in the name of and on behalf of the Corporation and under its Corporate seal, from time to time while this Resolution is in effect, to execute any and all agreements, contracts, assignments, endorsements, and issuance of checks or drafts, reports, mortgage documents and other papers in connection therewith, and furnish any information required or deemed necessary or proper by Oaktree Funding Corp.. in connection with any of the foregoing.

\_\_\_\_\_  
Officer's Printed Name

\_\_\_\_\_  
Officer's Printed Name

\_\_\_\_\_  
Officer's Printed Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

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 \_\_\_\_\_ at a meeting called and held at \_\_\_\_\_ on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_, and that such Resolution is duly recorded in the Minute Book of this Corporation, that such Officers named in said Resolution have been duly elected or appointed to, and are the present incumbents of, the respective offices set after their respective names.

\_\_\_\_\_  
Corporate Secretary's Printed Name

\_\_\_\_\_  
Corporate Secretary's Signature

\_\_\_\_\_  
Date

[Corporate Seal]



**OAKTREE FUNDING**  
**CORP.**

## **Certification & Authorization**

### **The undersigned hereby certify the following:**

1. I/We have applied for a Mortgage Wholesale Broker approval with Oaktree Funding Corp..  
In applying for the approval, I/We completed an application containing information for the purpose of such approval. I/We certify that all of the information contained therein is true, complete and accurate. I/We made no misrepresentation in the application or other documents, nor did I/We omit any material facts or information.
2. I/We Understand and agree that Oaktree Funding Corp.. reserves the right to verify any, and all, of the information provided in the application by whatever means it deems reasonable.

### **Authorization to Release Information To:**

1. I/We have applied for Wholesale Mortgage Broker approval from Oaktree Funding Corp.. As part of the approval process, Oaktree Funding Corp.. may verify information contained in the application and related documents either before or as part of its quality control program.
2. I/We authorize you to provide to Oaktree Funding Corp.. any and all, information and documentation that they request. Such information includes, but not limited to, credit history and copies of income tax returns.
3. A copy of this Authorization may be accepted as an original.

\_\_\_\_\_  
Company Name

\_\_\_\_\_  
Tax Identification Number

\_\_\_\_\_  
Broker's Printed Name

\_\_\_\_\_  
Social Security Number

\_\_\_\_\_  
Broker's Home Address (Street, City, State & ZIP)

\_\_\_\_\_  
Date of Birth or Age

\_\_\_\_\_  
Broker's Signature

\_\_\_\_\_  
Date



## Broker Agreement Exhibit A

### Compensation Agreement

EFFECTIVE DATE: \_\_\_\_\_ 20 \_\_\_\_\_

Company Name: \_\_\_\_\_ (Broker)  
Company NMLS #: \_\_\_\_\_  
Company Address: \_\_\_\_\_  
City, State, Zip Code: \_\_\_\_\_  
Telephone Number: \_\_\_\_\_ Fax Number \_\_\_\_\_

Please provide a list of all branch offices approved by Oaktree Funding Corporation and their current address, city, state, zip and telephone numbers to allow us to validate and update the accuracy of our records

This addendum is incorporated into and constitutes a part of the mortgage broker agreement contract between Broker and Oaktree Funding Corporation, hereinafter referred to as "OFC":

#### Lender Paid Compensation

Broker acknowledges and agrees that all loans with lender paid compensation will be based on the following:

\_\_\_\_\_ %  
Per loan as calculated on the total loan amount .

Optional: with a maximum (cap) of \$ \_\_\_\_\_

NOTICE: ANY unexpected expenses such as extension costs etc. not passed on to the borrower; you are hereby authorizing Oaktree Funding to deduct those costs from your compensation on Lender Paid transactions.

By selecting a maximum amount you have the opportunity to pay part of the closing costs with the amount over the maximum stated. Example: – Loan Amount \$600,000.00 with 2% Lender Paid Compensation would be \$12,000.00. By placing a maximum cap of \$9,000.00 to Broker the additional \$3,000.00 can be applied to the closing cost. In this example, the Broker is not allowed to receive any of the unused credit.

All compensation paid will be subject to federal, state agency(ies) and any regulatory predatory lending calculations and restrictions. Minimum and maximum amounts must be whole dollars only.

Broker Initials \_\_\_\_\_



**Modification**

Broker understands and agrees that this agreement may be modified on a quarterly basis. This shall be on a calendar basis with a start date of April 1, 2011. To be eligible for modification the Broker must close more than 3 loans in the prior quarter. Should the Broker close less than 3 loans in the prior quarter any request will be automatically declined per the current Federal Loan Officer Compensation Rule.

**Anti-Steering & Safe Harbor Compliance**

Broker hereby represents, warrants and covenants that, with regard to each loan and loan file that Broker submits to OFC: (i) Broker, and Broker's officers, employees and agents (together, "Representatives") at all times have complied, and will continue to comply, with any and all Law (defined below), (ii) Broker and its Representatives have not, and will not, steer any borrower into consummating a transaction that is not in the borrower's best interest, or that results in the Broker or any other person receiving greater compensation other than expressly permitted under 12 C.F.R. §226.36, (iii) Broker has presented, and will present, to each borrower a written Loan Options disclosure fully satisfying the "Safe Harbor" requirements provided for in 12 C.F.R. §§ 226.36(e)(2) and 226.36(e)(3).

As used herein, the term "Law" means any and all applicable Federal, state and local laws, statutes, regulations, rules, orders, ordinances and requirements, each as amended from time to time, including (without limitation) the provisions governing compensation to loan originators under the Truth In Lending Act (15 U.S.C. §§ 1601 et. seq.) and Regulation Z (12 C.F.R. §§ 226.1 et.seq.), and the "Anti-Steering" and "Safe Harbor" provisions specifically provided for as 12 C.F.R. § 226.36(e).

Broker hereby acknowledges and represents that Broker has read the foregoing, understands it, is signing this document voluntarily, and understands that, in continuing to do business with Broker, and for each loan file the Broker submits, OFC is relying on the representations, warranties and covenants provided for herein. No oral representations, statements or inducements apart from the foregoing written agreement have been made. The signatory below has been duly authorized to execute this Addendum for Broker as per the appropriate resolution, licensing or current broker agreement on file with OFC.

NOTICE: ANY unexpected expenses such as extension costs etc. not passed on to the borrower; you are hereby authorizing Oaktree Funding to deduct those costs from your compensation on Lender Paid transactions.

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*Broker of Record / Authorized Signer*

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*Date*





## **BROKER COMPENSATION QUESTIONNAIRE & ACKNOWLEDGEMENT**

Broker hereby acknowledges that Broker must comply with the loan originator compensation rules under 12 C.F.R. §226.36 (“Compensation Rules”) for all loan files received by Oaktree Funding Corporation. Broker hereby acknowledges that the Compensation Rules apply to every LOAN THAT IS LOCKED AFTER MARCH 31, 2011.

By initialing below, Broker represents warrants and covenants, with respect to every loan file submitted to OFC, as of the date of submission, and at all times thereafter, as provided below:

	Broker Initials
Any and all of Broker’s compensation plans for its loan officers are fully compliant with the requirements of the Compensation Rules.	
None of Broker’s compensation agreements are based on any term or condition of any particular loan or transaction other than the loan amount, or any “proxy” for any term or condition of any loan or transaction, as such terms are used in the Compensation Rules, including by way of example but not limitation, LTV, existence or lack of a prepayment penalty, program type (FHA, VA, conventional), interest rate or APR, consumer’s credit score, purchase vs. refinance, 1 <sup>st</sup> vs. 2 <sup>nd</sup> lien and similar items.	
For every loan where any compensation is paid directly by the consumer, as such phrase is used in the Compensation Rules, compensation to Broker’s loan officers is bases solely on a salary or hourly structure and no loan officer will be paid any commission in connection with that loan.	
For every loan where compensation is NOT paid directly by the consumer, as such phrase is used in the Compensation Rules; OFC will pay solely on a fixed percentage of the loan amount, subject to any fixed minimum or maximum dollar limits established by OFC in advance.	
For every loan where compensation is NOT paid directly by the consumer, as such phrase issued in the Compensation Rules, neither Broker nor any of its loan officers will receive compensation from any other person or entity in connection with that loan.	
Broker will include with every loan file submitted to OFC, factual documentation of compliance with the safe harbor and anti-steering provisions of the Compensation Rules, including copies of an executed Loan Options Disclosure.	
Records of compensation policies and of the loan-level compensation paid to loan originators will be retained for a minimum of five (5) years or such longer period as may be required by law. At any time upon reasonable request, Broker will provide OFC the ability to access and copy all such records for the purposes of determining compliance, or in the event of any claim, audit or examination.	

## *EXHIBIT B*

- (a) Taking information from the applicant and filling out the application. Filling out a prospective borrower's worksheet may substitute for the act of filling out a mortgage loan application if, for reasons of efficiency, the lender prefers to have the actual application filled out in a central location.*
- (b) Analyzing the applicant's income and debt and prequalifying the borrower to determine the maximum amount the applicant can afford.*
- (c) Educating the borrower in the home-buying and financing process, advising the borrower about the different types of loan products available, and demonstrating how closing costs and monthly payments would vary under each product.*
- (d) Collecting financial information (for example, tax returns, bank statements) and other related documents that are part of the application process.*
- (e) Initiating or ordering verifications of employment (VOEs) and verifications of deposit (VODs)*
- (f) Initiating or ordering requests for mortgage and other loan verifications.*
- (g) Initiating or ordering appraisals.*
- (h) Initiating or ordering inspections or engineering reports.*
- (i) Providing required legal disclosures (Truth-in-Lending, Good Faith Estimate, others) to the applicant.*
- (j) Assisting the applicant in understanding and clearing credit problems.*
- (k) Maintaining regular contact with the applicant, real estate broker or salesperson, and lender, between application and closing to apprise them of the status of the application and to gather any additional information as needed.*
- (l) Ordering legal documents.*
- (m) Determining whether the secured property is located in a flood zone or ordering a flood determination.*
- (n) Participating in the loan closing.*



# **OAKTREE FUNDING**

**CORP.**

*EZ-Qual Account Setup*  
**THIS FORM MUST BE TYPED**

Account Rep: \_\_\_\_\_ Company Name: \_\_\_\_\_

If using a DBA Name: \_\_\_\_\_

**Broker/owner Company (not company name) will have access to company pipeline and add Loan Officers**

First Name \_\_\_\_\_ Last Name \_\_\_\_\_ Email Address \_\_\_\_\_

Phone# \_\_\_\_\_ Cell# \_\_\_\_\_ Company NMLS# \_\_\_\_\_ Personal NMLS# \_\_\_\_\_

**Or**

**Company Administrator -will also have access to company pipeline and add Loan Officers**

First Name \_\_\_\_\_ Last Name \_\_\_\_\_ Email Address \_\_\_\_\_

Phone# \_\_\_\_\_ Cell# \_\_\_\_\_ Company NMLS# \_\_\_\_\_ Personal NMLS# \_\_\_\_\_

This person will be responsible to register their Loan Officers for use of  
Oaktree Funding's automated system.



**OAKTREE FUNDING**  
**CORP.**

## **Submission Page**

### **Instructions for Broker Package Submission**

**Print the package and sign where indicated. Upload package to:**

[www.oaktreewholesale.com](http://www.oaktreewholesale.com)

- 1) Select Upload Center Icon
- 2) Select New Client Link
- 3) Follow Upload Instructions

Or you can overnight your package to:

**Oaktree Funding Corporation**

**45; 2'Y . Tc{ 'Tf '%B**

**Ej cpf rgt, C\ : 7446**

**We will start processing as soon as we receive your uploaded package. The original package is NOT required.**

**You can submit loans once you have been approved.**

**By submitting your package we here agree to all the terms and conditions in the agreement.**