

**VA AUTHORIZED AGENT/SPONSORED HUD LOAN CORRESPONDENT
AGREEMENT**

This Agreement is made and entered into this _____ day of _____ 20____ by and between Mortgage Financial Services, LLC (“Lender”) a Louisiana Corporation, having its principal place of business at 11940 Bricksome Ave, Suite D, Baton Rouge, LA 70816 and _____ (“Agent”), having its principal place of business at _____

FHA # _____

VA # _____

RECITALS

- A. Lender desires from time to time to make real estate loans (“Loans”), to qualified borrowers whose applications are provided to Lender by Agent;

- B. Agent, which possesses considerable knowledge in all aspects of real estate lending, including, if agent is a VA Authorized Agent, lending governed by the rules of the Department of Veterans Affairs, or, if Agent is a Sponsored HUD Loan Correspondent, lending governed by the rules of the Federal Housing Administration, desires to provide Lender, from time to time, completed Loan application packages for Loans to be made or granted by Lender directly to the loan applicants, whether closed in the name of Lender or Agent.

NOW, THEREFORE, in consideration of the above recitals and the mutual covenants and promises herein contained, the parties do hereby agree as follows:

1. ELIGIBLE LOAN APPLICATIONS

Only the types of mortgage loans initialed by Lender below shall be eligible for submission by Agent to Lender for funding by Lender under this Agreement:

Lender’s Initials

_____ Applications for Loans (“FHA Loans”) eligible to be insured by the Federal Housing Administration (“FHA”)

_____ Applications for Loans (“VA Loans”) eligible to be guaranteed by the Department of Veterans Affairs (“VA”)

2. TERM

- (a) This Agreement shall commence on and as of the date first written above, and shall continue until terminated by the parties, subject to honoring loans approved for closing.

- (b) This Agreement may be terminated by either party without penalty or cause upon fifteen (15) days written notice to the other party. In addition, Lender shall have the right to terminate this Agreement immediately by notice in writing to Agent in the event of any of the following:
 - (i) Agent defaults on any of its obligations hereunder and such default is not cured within fifteen (15) business days after notice to Agent of such default; or

 - (ii) Agent shall initiate or suffer any proceedings of insolvency or reorganization under any federal or state bankruptcy, receivership or other similar laws, or make any common law assignment for the benefit of creditors; or

 - (iii) Agent shall, as a result of any act or omission on the part of Agent, cause Lender to suffer any involuntary sale or execution upon any interest in any Loan originated hereunder; or

 - (iv) Agent assigns or attempts to assign its rights and obligations hereunder without Lender’s prior written approval.

3. LENDER'S LOAN PROGRAMS

Lender will specify to Agent, from time to time, the Loan types, amounts, interest rates, points and other applicable terms under which Lender will consider making a Loan, and the time period during which a Loan program is available.

4. SERVICES OF AGENT

- (a) Agent will assist prospective borrowers in completing credit applications and such other documents as Lender may require. All such documentation shall be in accordance with the then current underwriting standards and loan policies of Lender, and Agent will promptly submit all information generated pursuant to such applications to Lender for its review and approval.
- (b) Agent shall complete and furnish to each applicant any and all information which is required by federal, state and local laws and regulations including but not limited to, the Equal Credit Opportunity Act, Regulation B, the Real Estate Settlement Procedures Act, Regulation X, the Truth-in-Lending Act, Regulation Z and the Fair Credit Reporting Act.
- (c) Agent shall make no credit commitments on behalf of Lender. Lender has the sole and absolute discretion to determine whether a Loan will be granted and under what terms and conditions.
- (d) Agent shall obtain real estate appraisals/CRVs and credit reports only from those appraisers and credit reporting agencies, which are authorized by Lender. Lender agrees to furnish Agent with a list of authorized appraisers and credit reporting agencies, and to update such list from time to time.
- (e) Agent, at its own expense, shall perform such functions and provide Lender with all credit data, financial statements, real estate information and such additional items as Lender, from time to time, may require.

5. OBLIGATIONS OF LENDER

- (a) Upon receipt of the credit application and such other information as may be required, Lender will, within a reasonable time, consider said application for the purposes of making a Loan. If Lender approves such application, Lender shall so advise Agent.
- (b) At Lender's option, Lender may obtain appraisals/CRVs, credit reports and other information it deems necessary.

6. FEES

Lender shall allow Agent to retain the origination fee and all discounts collected in excess of Lender's quoted price. Lender may withhold payment of any fee otherwise due and payable to Agent for application to any obligations of Agent to Lender. In no event shall any compensation be paid to Agent unless a Loan is funded, nor shall any compensation be paid to Agent on account of any other loan made to a particular borrower by Lender or upon any increase in the Loan amount after the initial Loan amount has been disturbed by Lender.

7. APPLICABILITY OF AGENT'S REPRESENTATIONS AND WARRANTIES

Each Loan shall be subject to all representations and warranties specified in this Agreement, regardless of the provisions of any other documents or conduct of the parties with respect thereto, and this Agreement shall exclusively govern the rights of the parties hereto despite the fact that a Loan may be made subsequent to this Agreement. Each representation, warranty and covenant herein shall survive the making of a Loan and the termination of this Agreement.

8. REPRESENTATIONS AND WARRANTIES OF AGENT AS TO EACH LOAN

As to each Loan, Agent hereby represents, warrants and covenants to Lender as follows:

- (a) All information relating to credit submitted in connection with an application for a Loan is accurate, complete and truthful;
- (b) All documents and instruments submitted by Agent in connection with such Loan are valid and genuine, in every respect;
- (c) To Agent's knowledge, there is no bankruptcy, foreclosure or other litigation pending or threatened against the borrower;
- (d) There will be no claims or defenses as to the Loan by reason of any act or omission of Agent, its officers, directors, agents or employees;
- (e) Agent and each of its officers, directors, agents and employees maintain all licenses required of them;
- (f) Agent has no adverse information concerning an applicant which it has not communicated to the Lender;
- (g) Except for the payment to satisfy an existing loan, no fee or other compensation or any portion of the Loan proceeds has been or will be paid directly or indirectly by any person to Agent or any of its officers, directors, employees or agents;
- (h) The Loan has not been referred or brokered to Agent by another correspondent or mortgage broker;
- (i) No fee or other compensation has been or will be paid to Agent in connection with Lender's insurance requirements or any loan or sale escrow;
- (j) Except for the payment to satisfy loan, the loan proceeds are not to be paid, in whole or in part, to a seller who (1) pays any compensation to or receives any compensation from Agent, (2) is related by common ownership or control to Agent, or (3) shares its profits or losses with Agent. The term Agent as used in the Paragraph 8(j) includes Agent's affiliates, partners, directors, officers, employees and agents;
- (k) To Agent's knowledge, there is no undisclosed secondary financing involved with a Loan.
- (l) Agent has not and will not (i) advise any borrower that they are guaranteed a particular interest rate should their loan application be approved or (ii) issue any interest rate lock or similar agreement with our the prior written consent of the Lender.
- (m) Agent and the loan applicant have agreed that Agent is representing such loan applicant as such loan applicant's agent with respect to the loan application and is not acting as an agent of Lender. Agent has disclosed to the loan applicant that depending upon the interest rate and origination points at which a loan from Lender to the loan applicant closes, Lender may pay compensation to Agent in addition to any compensation to be paid to Agent by the loan applicant.

9. ADDITIONAL REPRESENTATIONS AND WARRANTIES OF AGENT

Agent hereby represents and warrants to Lender as follows:

(a) **Legal Status.** Agent is a _____ (Sole proprietors are not applicable for FHA sponsorship), validly existing in good standing under the laws of the state of its organization, and is duly licensed to perform its obligations hereunder and will, during the term hereof. Maintain such licenses. Agent agrees to submit copies of said licenses to Lender. If loan applications for VA Loans are eligible for submission to Lender by Agent hereunder, Agent is a VA Authorized Agent duly appointed by and in good standing as such with the Department of Veteran Affairs. If loan application for FHA Loans are eligible for submission to Lender by Agent hereunder, Agent is a Sponsored HUD Loan Correspondent duly approved by and in good standing as such with the Federal Housing Administration.

(b) **Authority.** The execution and delivery of this Agreement by Agent and the performance by Agent of its obligations hereunder have been duly authorized.

(c) **Legality.** The execution and delivery of this agreement by Agent and the obligations which it will perform hereunder do not, and will not, violate any provision of any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award having applicability to Agent or the organizational or charter documents of Agent.

(d) **Binding Obligation.** When duly executed and delivered by Agent, this Agreement will constitute a legal, valid and binding of Agent, enforceable against Agent according to its terms.

(e) **No Suits.** There are, to the Agent's knowledge, no actions, suits or proceedings pending or threatened against or affecting Agent or the properties of Agent before any court, governmental department, agency, commission, board, bureau or instrumentality, domestic or foreign, which, if determined adversely to Agent, would have a material adverse effect on the financial condition, properties or operations of Agent.

(f) **Financial Condition.** Agent agrees to make current financial statements available to Lender upon request and, in any case, within one hundred twenty (120) days after the completion of each fiscal year.

(g) **Confidentiality.** Each party agrees it will not use for its own benefit or will not disclose to any person or entity confidential information relating to the other party which it may acquire during the term of this Agreement.

10. INDEMNITY

Agent agrees to indemnify and hold Lender harmless from any and all liability, loss, damage, cost or expense resulting from or alleged to have resulted from the failure of Agent, its officers, directors, employees or agents to comply with the warranties, representation and covenants of this Agreement. Agent's indemnity obligation specifically covers all costs and expenses, including any attorneys' fees incurred by Lender. Lender reserves the right to approve of Agent's selection of attorneys used to prepare the mortgage documents and the right to engage attorneys of Lender's choice, at Agent's expense, which attorneys are retained to represent agent and perhaps Lender in any action related to Loans originated by Agent under this Agreement.

Agent further agrees to indemnify and hold Lender harmless from any and all liability, loss, damage, cost or expense resulting from or alleged to have resulted from the failure of Agent, its directors, officers, employees or agents to process Loan applications in a timely and professional manner, unless Agent is delayed in the processing of Loan applications due to actions of Lender.

11. RELATIONSHIP OF THE PARTIES

It is agreed that Agent and Lender are not partners or joint ventures, but shall have the status of and act in all matters hereunder as independent contractors. Agent shall hold funds collected on account of any loan in trust for Lender. Agent is not an agent or partner of Lender and has no authority and is intended to have no power to create, extinguish or modify any right, obligation or liability of Lender to any person whatsoever.

It is expressly understood that, notwithstanding the execution of this Agreement and the representations, warranties and covenants contained herein, Lender may make loans with or without the assistance of Agent and may use the services of other Agents, and Agent may refer real estate loans to other lenders or may close loans on its own behalf.

12. APPROVAL

In the event the approval of any entity, including but not limited to private mortgage insurers, governmental or quasi-governmental agencies or potential investors, is required to process, close, fund or service a Loan, Agent agrees to take whatever action is required to obtain such approval.

13. EXPENSES

Except as expressly provided herein to the contrary, each party shall bear its own costs and expenses incurred in connection with the preparation of this Agreement and the performance of the obligations contemplated hereby.

14. WAIVERS

Lender's failure to enforce any provision of this Agreement shall not be deemed a waiver of that or any other provision with respect to that or any other transaction with Agent.

15. TAX REPORTING

(a) **Loans Closed in Lender's Name.** With respect to all loans submitted to Lender by Agent hereunder and closed by Lender in Lender's name, Lender shall report to the federal Internal Revenue Service ("IRS") all points and interest paid to Lender by the borrower under each such loan and provide copies of such report or other statements thereof to such borrower as required by IRS regulations, as amended from time to time.

(b) **Loans Closed in Agent's Name.** With respect to all loans submitted to Lender by Agent hereunder and closed by Lender in Agent's name, Agent shall report to the federal Internal Revenue Service ("IRS") all points and interest paid to Lender by the borrower under each such loan and provide copies of such report or other statements thereof to such borrower as required by IRS regulations, as amended from time to time.

16. NOTICES; FACSIMILES

All notices required under this Agreement shall be considered given when deposited in the United States Mail bearing sufficient postage and addressed as set forth below:

To: Mortgage Financial Services, LLC
11940 Bricksome Ave, Suite D
Baton Rouge, LA 70816

Attn: _____

To: Agent

Attn: _____

Either party may, by proper written notice hereunder to the other party, change the address to which notices shall thereafter be sent.

Lender, at its option, may transmit by facsimile to Agent all information regarding loans eligible for submission by Agent hereunder (including, without limitation, price information and product requirements) or regarding any other loan programs offered by Lender and Agent hereby consents to such transmittals by facsimile.

17. ASSIGNMENT

Agent shall not assign any of its rights hereunder without Lender's prior approval

18. BROKERAGE

Each party represents and warrants there are no claims for brokerage commissions or finders' fees in connection with the transactions contemplated by this Agreement. Each party agrees to exonerate, indemnify and hold harmless the other in respect to any and all losses sustained by the other as a result of liability to any broker or finder on the basis of any arrangement or agreement made by or on behalf of such party

19. CAPTIONS

Paragraphs or other headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

20. ENTIRE AGREEMENT

This Agreement and the documents referred to herein or executed concurrently herewith constitute the entire agreement between the parties hereto and there are no prior agreements, understandings, restrictions, warranties or representations between the parties.

21. AMENDMENT

No term or provision of this Agreement shall be altered or modified unless in writing and signed by both parties.

22. SEVERABILITY

In the event that any provision of this Agreement conflicts with applicable law, such conflict shall not affect the other provisions, and to this end the provisions of this Agreement are declared to be severable.

23. GOVERNING LAW AND VENUE

This Agreement shall be governed by, and construed in accordance with the laws of the Louisiana. The parties hereto expressly agree that any judicial action pertaining to the Agreement shall be filed in a court of appropriate jurisdiction, located in Baton Rouge, Louisiana.

In witness whereof, the parties have executed this Agreement as of the date first written above.