

## **BECOME AN APPROVED BROKER WITH DIRECT MORTGAGE**

“As the Principal Lending Manager for Midtowne Mortgage, I'm cautious about which wholesale lenders we use. Since we began using Direct Mortgage, we've had nothing but successful loan closings and happy, satisfied borrowers. The automated system Direct Mortgage built has streamlined the process of underwriting and closing loans. On those rare occasions when there are rushes or last minute changes, the support staff has been available and willing to see that closings were not held up and fundings happen on time.

I highly recommend Direct Mortgage.”

~ Bryce Anderson, PLM-Midtowne Mortgage Inc. ~

### **You Can Have The Same Experience. Simply do the following:**

- ✦ **Completely fill out and submit this application package. Allow up to 30 days for your application to be reviewed.**
- ✦ **Receive a priority review when you submit a qualified loan with this package (see pg 12).**
- ✦ **Continue using Direct Mortgage and enjoy "successful loan closings" and "happy, satisfied borrowers".**

### **Tips For A Smooth Approval Process:**

- Submit all documents in support of your application at the beginning of the process, just as you would submit a full loan file. This prevents the need for additional phone calls and speeds up your approval.
- We enjoy working with newly formed brokerages – so please included a detailed resume for yourself and any key staff. Please note that brokers need to possess 3 years or more of mortgage industry experience.
- Verify AE info for your references before you send them to us. If you can't reach the AE, then we probably won't be able to either.
- Make sure you provide all the requested signatures.
- Double check that all required information is provided.
- If you are a sole proprietor, please include 2 years tax returns or company financials.
- Use the Broker Approval Checklist as your guide and double check before sending it off.
- Type the information instead of handwriting it to help alleviate any errors.
- Include the broker or principal social security number.
- Please know that your information is kept confidential.

By following the suggestions above, you'll be able to enjoy a pleasant and easy broker approval process. Our dedicated staff looks forward to getting to know you and doing business together.



**BROKER APPROVAL CHECKLIST**

*Fax the complete package to 801.924.2399 or email to BrokerApproval@Directcorp.com*

Request Date	<input type="text"/>
Account Executive	<input type="text"/>
Account Executive Email Address	<input type="text"/>
Primary Type of Production	Conventional <input type="checkbox"/> FHA <input type="checkbox"/> VA <input type="checkbox"/> Other <input type="checkbox"/>

Broker Legal Name

Branch Name       Branch Code

Address, City, State, Zip

State(s) Broker is approved to do business in

VA #     FHA #     Tax ID #

# of Loan Officers     # of Processors     Total Staff     Age of Company  (years)

Check One:     C-Corporation       S or LLC-Corporation       Partnership       Sole Proprietor

- Wholesale Broker Application (*signature required*)
- Anti-Predatory Lending Policy (*signature required*)
- Provide each of the following documents that relate to the existence of your business
  - Articles of Incorporation
  - Certification for any dba
  - If Sole Proprietor or Partnership, 2 years tax returns
  - If the business is less than 3 years old, attach resumes of all owners/principals/partners/managers
- Resolution of Board of Directors (for all corporations)
  - Completed and Certified by the Corporate Secretary (*signature required*)
- Limited Power of Attorney (Required when being approved for FHA)
  - Notarized
- Authorization /Release for Business and Individuals (*signature required*)
- Completed W-9 (blank form enclosed)

Provide the following documents as they may apply to your application:

- Copy of current License(s)
- Copy of Errors and Omissions policy and/or copy of paid bond (as required by state law)
- FHA Approval Letter
- VA Approval Letter
- Login request forms for each person that requires access to Direct Mortgage's automated underwriting system
- Broker Agreement

I declare and warrant that a review of the broker listed above has been performed. Based upon the said review a recommendation for approval to do business with Direct Mortgage Corp. has been requested.

Direct Mortgage Wholesale Branch Manager Signature \_\_\_\_\_ Date \_\_\_\_\_

Direct Mortgage Wholesale Account Executive Signature \_\_\_\_\_ Date \_\_\_\_\_



**WHOLESALE BROKER APPLICATION**

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6955 S Union Park Center, Suite 540  
Salt Lake City, UT 84047  
Phone 801.924.2300  
Fax 801.924.2399  
BrokerApproval@Directcorp.com

**Originating Lender/Broker Information**

Legal Name of Company: \_\_\_\_\_

Complete Address of Main Office: \_\_\_\_\_

\_\_\_\_\_

Primary Contact Person: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Fax Number: \_\_\_\_\_

Tax ID Number: \_\_\_\_\_

Type of Entity (check only one type):

- C- Corporation     S/LLC Corporation     Sole Proprietor     LTD Partnership  
 General Partnership     Limited Liability Co.     Financial Institution     Other: \_\_\_\_\_

**Agency Relationship**

Please indicate if you have been approved with any of the following investors:

FNMA	YES/NO	ID NO. _____
FHLMC	YES/NO	ID NO. _____
GNMA	YES/NO	ID NO. _____
VA AUTO/PRIOR/AGENT	YES/NO	ID NO. _____
FHA DE/SPONSOR	YES/NO	ID NO. _____
OTHER _____	YES/NO	ID NO. _____

Has an application by your institution ever been denied by any of the previously mentioned organizations?  
\_\_\_ YES    \_\_\_ NO

If yes, state the particular circumstance of and reason for the denial.

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

Has your institution ever been disqualified or suspended by any of the previously mentioned organizations after being approved to do business with them? \_\_\_ YES \_\_\_ NO

If yes, state the particular circumstances of and reason for the disqualification or suspension.

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

## List all Principal(s) of Company

Name \_\_\_\_\_ % ownership \_\_\_\_ Social Security Number \_\_\_\_\_  
Name \_\_\_\_\_ % ownership \_\_\_\_ Social Security Number \_\_\_\_\_  
Name \_\_\_\_\_ % ownership \_\_\_\_ Social Security Number \_\_\_\_\_  
Name \_\_\_\_\_ % ownership \_\_\_\_ Social Security Number \_\_\_\_\_  
Name \_\_\_\_\_ % ownership \_\_\_\_ Social Security Number \_\_\_\_\_

## Residential Production Volume

<u>Last Calendar Year</u>			<u>Year-to-Date</u>		
Conventional	# _____	\$ _____	Conventional	# _____	\$ _____
FHA/VA	# _____	\$ _____	FHA/VA	# _____	\$ _____
Other	# _____	\$ _____	Other	# _____	\$ _____

Estimated Monthly Sales Volume to Direct Mortgage Corp. \$ \_\_\_\_\_

## General Certifications

Are you involved in any litigation or is any litigation threatened between you and any investor, correspondent, or government Agency? *(If "Yes," supply full details)* \_\_\_\_\_ YES \_\_\_\_\_ NO

Was your company or principals of your company ever suspended from selling or brokering loans by an investor? *(If "Yes," supply full details)* \_\_\_\_\_ YES \_\_\_\_\_ NO

Was your company or principals of your company ever suspended, debarred, or otherwise restricted by FHA, VA or any other Government agency or licensing? *(If "Yes," supply full details)* \_\_\_\_\_ YES \_\_\_\_\_ NO

Has your company had any unfavorable finding with regard to mortgage operations or servicing activities included in any audit, examination or report by FNMA, FHLMC, GNMA, FHA, VA or any other state or federal regulatory or investigative agency? *(If "Yes," supply full details)* \_\_\_\_\_ YES \_\_\_\_\_ NO

Has an officer, director, or major stockholder been affiliated with any company/business that was subject to voluntary or involuntary bankruptcy proceedings? *(If "Yes," supply full details)* \_\_\_\_\_ YES \_\_\_\_\_ NO

Is your company or individual office or any officer, director, principal, or employee presently subject to outstanding findings as a result of HUD or other government agency or licensing bureau investigations? *(If "Yes," supply full details)* \_\_\_\_\_ YES \_\_\_\_\_ NO

Does your company have a quality control plan (spot check and/or internal audit system which reviews the authenticity of the information contained in your loans)? *(If "Yes," please supply us with a copy of your quality control plan)* \_\_\_\_\_ YES \_\_\_\_\_ NO

Does your company have an Errors and Omissions policy? *(If "Yes," please supply us with a copy of your policy)* \_\_\_\_\_ YES \_\_\_\_\_ NO

We hereby certify that the next fiscal year-end is \_\_\_\_\_, 20\_\_\_\_\_.

The age of the company is \_\_\_\_\_

The undersigned declare, represent, and warrant that, to the best of their knowledge, the statements set forth herein are true and correct. Buyer is hereby authorized to obtain verification from any source named herein or at Buyer's discretion to obtain a credit report from a National Credit Reporting Agency. It is agreed that this application, when approved, shall be attached to and become a part of the Purchase and Sale Agreement with Buyer.

Originating Broker \_\_\_\_\_  
(Name of Institution) (Date)

\_\_\_\_\_  
(Name and Title) (Name and Title)

\_\_\_\_\_  
(Signature) (Signature)

Buyer agrees that any financial information provided by Broker in the application package will be treated as confidential and not released (except in summary form without any identification of a particular institution) to any third party unrelated to Buyer, without first obtaining Broker's consent or pursuant court or administrative order requiring such a release.

## **ANTI – PREDATORY LENDING POLICY ACKNOWLEDGMENT**

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Direct Mortgage Corp. (DMC) has adopted this *Statement against Predatory Lending Practices*, as well as numerous other safeguards and procedures, including Best Practices as recommended by the Mortgage Bankers Association of America, in order to help insure that our customers receive fair and equitable treatment in the origination of their mortgage from DMC.

DMC strongly disapproves of abusive or predatory lending practices by any of its employees or agents, and requires its employees to receive training to spot predatory lending practices in an effort to prevent them. DMC requires all new loan brokers to acknowledge DMC's Best Practices and Anti-Predatory Lending Policy, and to adhere to practices intended to eliminate predatory lending and treat all borrowers fairly and equitably. In addition, DMC complies with all applicable state and federal laws and regulations, including, but not limited to the Equal Credit Opportunity Act, the Fair Housing Act, the Fair Credit Reporting Act, the Truth in Lending Act, and the Real Estate Settlement Procedures Act.

Prospective borrowers are encouraged to seek loan counseling prior to obtaining a mortgage, and the US Department of Housing and Urban Development can provide borrowers with a list of loan counselors in their area (see <http://www.hud.gov/consumer/> or <http://www.hud.gov/offices/hsg/sfh/hcc/hccprof14.cfm> for more information, or contact HUD at 888-466-3487).

### **Best Practices**

DMC Mortgage Corp. (DMC) has endorsed MBA Best Practices as recommended by the Mortgage Bankers Association of America. A copy of the MBA Best Practices can be found at: [http://www.mbaa.org/industry/docs/01/mba\\_bestpractice.html](http://www.mbaa.org/industry/docs/01/mba_bestpractice.html)

The measures recommended by the Mortgage Bankers Association of America are meant to serve as guidelines by which DMC can meet its business objectives, while providing fair and equitable treatment to borrowers. In accordance with the MBA Best Practices, DMC has adopted the following safeguards to ensure fair and equitable treatment of consumers:

- **Borrowers Should Not Be Steered to Inappropriate Products.** Borrowers should be offered the best available products for which the borrower would qualify based on his/her creditworthiness. DMC's automated underwriting system automatically seeks the highest credit grade available for each borrower and prices a loan accordingly.
- **Lenders Should Determine That All Borrowers Have the Ability to Repay Their Loans.** A lender's credit decision should be based primarily on the repayment ability of the borrower. DMC has established a policy which restricts the origination of a loan solely on the basis of the borrower's equity, without regard to proper underwriting. DMC underwriting utilizes, among other things, income, assets, as well as mortgage and credit histories. DMC requires that all borrowers meet prescribed debt-to-income ratios as specified in DMC's underwriting guidelines. Currently, the maximum debt-to-income ratio is 55% (lower for certain products). DMC qualifies ARM loans at a rate of 1% above the start rate on all 6 month and 1 year ARMs.
- **Lenders Should Not "Flip" Customers.** "Flipping" refers to the practice where a lender refinances a loan with a larger loan where the additional proceeds are largely used for fees and charges, and resulting in the borrower's equity being stripped from the property. DMC requires a 12-month listing history as well as the sales history that must be validated by the appraisal department to detect artificially inflated values. DMC also requires a 6-month chain of title on all transactions. Loan transactions for properties with multiple refinances in the last 24 months must also demonstrate an economic value to the borrower.
- **All Borrowers Should Be Fully Informed of All Loan Terms and Conditions, Including the Risks and Benefits of the Loan Transaction.** Applicable disclosures should comply with legal requirements and should provide adequate explanation of all pertinent loan terms and conditions, including any yield-spread or service-release premium. In addition, marketing practices and materials should not be deceptive or exploitative. DMC discloses yield spread premium on the following documentation: Advance Disclosures, Final Disclosures, Lenders Closing Instructions, State specific forms, Final HUD-1. In addition, DMC provides its own Good Faith Estimate in all brokered transactions.
- **Fees and Rates.** Fees and rates should be representative of the associated credit risks and/or costs and services associated with the origination of the loan and properly disclosed. Loan fees must be proportionate to the costs of origination and the credit risk presented to the borrower. DMC has restricted first mortgage loans from exceeding the

Section 32 and state-specific high cost rate and fees limitations, and total fees charged to the borrower is limited to 5% on all loans. DMC has a clearly defined risk to rate price sheet.

- **Insurance Bundling.** Lump-sum insurance products, such as credit life insurance, disability insurance, home warranties, etc., should not be a condition of the loan. DMC does not engage in the practice of financing lump-sum or single-premium credit life insurance or similar products, and prohibits such practices in any transaction in which it is involved
- **Prepayment Penalties.** Prepayment penalties should be fair and fully disclosed. DMC's prepayment penalties follow Federal and State laws. DMC offers all loan programs with a no prepayment penalty option at higher rates.
- **Lenders Should Report Borrowers' Payment History to Credit Bureaus.** Reporting such information enables consumers to improve their credit profile and have access to more favorable financing. DMC's sub-servicer is required to report to all major reporting agencies on a regular basis.
- **Benefit to the Borrower.** All loans must be made based on a bona fide and documented benefit to the consumer. DMC requires employees to evaluate the benefit of each loan to the borrower. Examples of benefits include, without limitation, reduction of rate below borrower's current rate for a 24-month period, reduction in monthly PITI, reduction in overall monthly payments through debt consolidation, conversion of mortgage from ARM to fixed rate, conversion of a mortgage from a longer term to a shorter term, cash out/cash in hand greater than all fees connected with loan (payoff of the prepayment penalty is considered in this evaluation).
- **Upcharging.** The assessment of extra charges above an actual third party fee. DMC has prohibited the collection of any excess fees above an actual third party fee. DMC policy requires copies of all third party invoices as a condition to close.
- **Anti-Predatory Lending Policy.** DMC strongly disapproves of abusive or predatory lending practices by any of its employees or agents, and requires its employees to receive training to spot predatory lending practices in an effort to prevent them. DMC requires all new loan brokers to acknowledge DMC's Best Practices and Anti-Predatory Lending Policy at time of approval, and to adhere to practices intended to eliminate predatory lending and treat all borrowers fairly and equitably.
- **Fair Lending/Non-Discrimination.** DMC is an equal housing lender and, in accordance with the Federal Equal Credit Opportunity Act, DMC employs business practices that promote fair lending and will not tolerate discrimination relative to borrower race, color, religion, sex, handicap, familial status, age, national origin or ancestry. DMC fully supports the letter and spirit of these laws and does not condone discrimination in any mortgage transaction.
- **Industry & Community Involvement.** DMC is committed to involvement with trade organizations, community groups, national associations, mortgage bankers, as well as state and local associations to continually develop and implement practices and disclosures that respond to the needs of consumers, and to scan and respond to new potential legislation which creates the need for consumer disclosures and protections.
- **Violations/Retaliation.** DMC employees and Brokers are encouraged to report to senior management violations of these best practices and/or questionable activities in accordance with company procedures. In addition, no employee or broker will be subject to disciplinary or retaliatory action for a good faith reporting of a suspected violation of these guidelines.
- **Training.** All DMC Employees are required to undergo training on DMC's Best Practices and how to spot and prevent abusive or predatory lending. Brokers submitting applications or loans to DMC acknowledge and agree to abide by DMC's Best Practices and Anti-Predatory Lending Policy.

**Acknowledgement of receipt:**

\_\_\_\_\_  
**Broker Signature**

\_\_\_\_\_  
**Date**

**RESOLUTION OF BOARD OF DIRECTORS**

Of \_\_\_\_\_  
(Name of Correspondent/Broker Lender)

RESOLVED FIRST, that

\_\_\_\_\_ the \_\_\_\_\_ and  
(Name of Officer) (Title)

\_\_\_\_\_ the \_\_\_\_\_ and  
(Name of Officer) (Title)

\_\_\_\_\_ the \_\_\_\_\_ and  
(Name of Officer) (Title)

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

**I HEREBY CERTIFY** that the foregoing is a true and correct copy of a resolution presented to and adopted by the Board of Directors of \_\_\_\_\_  
(Your Company Name)

at a meeting duly called and held at \_\_\_\_\_  
(City and State)

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

\_\_\_\_\_  
(Secretary)



**LIMITED POWER OF ATTORNEY**  
**(REQUIRED FOR FHA LOANS ONLY)**

The undersigned officers of \_\_\_\_\_, a \_\_\_\_\_ (State) Corp., does hereby make, constitute and appoint any of the following employees of **Direct Mortgage Wholesale, a Division of Direct Mortgage Corp.** ("Purchaser"):

Executive Vice President, Senior Vice President, Vice President, Assistant Vice President, or Supervisor

The undersigned's true and lawful Attorney-in-Fact, with full right, power and authority for the undersigned and in the undersigned's name, place and stead to endorse and assign notes and take any and all such action as is required to assign the mortgages, deeds of trust and other instruments evidencing the security for said notes of Direct Mortgage Corp. giving and granting unto said Attorney-in-Fact the full power and authority to do and perform each and Every act, deed, matter and thing whatsoever required and necessary to be done in and about the foregoing, as fully undersigned might or could do if present and acting.

This Limited Power of Attorney shall be effective immediately, and shall continue until revoked by the undersigned by written notice to such Attorney-in-Fact.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Its: **President**

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Its: **Secretary**

STATE OF \_\_\_\_\_ COUNTY OF \_\_\_\_\_

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me, the undersigned, a Notary Public in and for the State of \_\_\_\_\_, personally appeared \_\_\_\_\_ and \_\_\_\_\_ respectively, of the corporation executing the foregoing instrument, that the seal affixed thereto is the seal of the corporation executing the foregoing instrument, that the seal affixed thereto is the seal of the corporation; that said instrument was signed and sealed on behalf of the corporation by authority of its Board of Directors; and that \_\_\_\_\_ and \_\_\_\_\_ as officers acknowledge the execution of the foregoing instrument to be voluntary act and deed of the corporation, by it and by them voluntarily executed.

My commission expires: \_\_\_\_\_

Notary Public, State of \_\_\_\_\_

County of \_\_\_\_\_

## **Authorization / Release for Businesses and Individuals**

\_\_\_\_\_ (your company name), of \_\_\_\_\_ (city, state) (“Applicant”) acknowledges that it is in the best interest of both Applicant and Direct Mortgage Wholesale, a division of Direct Mortgage Corp. (“Mortgage Lender”), of Salt Lake City, Utah to perform due diligence concerning Applicant’s background and experience. Applicant further acknowledges that Applicant benefits from the efficiencies in the due diligence process that are possible when Mortgage Lender and other similarly-situated entities in the mortgage industry exchange information about their experiences in doing business with individuals and companies such as Applicant. Therefore, Applicant hereby consents and gives Mortgage Lender permission to submit the name of Applicant’s company and any and all employees of the company for screening through any and all mortgage industry background databases. This screening may include, but shall not be limited to: 1) soft, non-FICO impacting credit reports on your employees and business credit reports on your company, 2) criminal background checks your employees, and 3) mortgage industry background checks on your company and employees. Applicant understands that Mortgage Lender performs quality control reviews of the loans that Applicant submits to Mortgage Lender for registration, review, underwriting, and/or purchase. Applicant understands and hereby consents to the release of information about any loan application that is believed to contain misrepresentations and/or irregularities. Applicant agrees and gives its consent that it and its employees may be named as the originating entity or loan officers on such loans, whether or not Applicant or its employees are implicated in the misrepresentation and/or irregularities. Applicant hereby releases and agrees to hold harmless Mortgage Lender from any and all liability for damages, losses, costs, and expense that may arise from the reporting or use of any information submitted by Mortgage lender to any third party credit or background screening service provider.

I hereby give my consent to Direct Mortgage Corp., or any third party reporting bureau which Direct Mortgage Corp. may designate, to obtain a business and personal credit and background reports.

Company \_\_\_\_\_

Name \_\_\_\_\_

Title *(must be primary owner or executive duly authorized to sign for the company)* \_\_\_\_\_

Social Security Number *(required)* \_\_\_\_\_

Tax ID Number *(required for all corporations)* \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_



## **BUSINESS REFERENCES**

Please List the names, addresses and phone numbers of three (3) Wholesale lenders you are presently doing business with:

1.

2.

3.

**Receive Priority Processing of Your Application  
By Submitting a Qualified Loan With This Application.**

If you submit a qualified loan with this application, the application will receive priority processing. Please submit the following documents\* at the same time.

- Doc Order Form
- Lock Confirmation
- Final 1008
- Credit Report
- Income Documentation
- Asset Information
- Purchase Agreement OR Payoff (if refinance)
- Title
- Appraisal
- Signed 1003
- Signed 4506-T
- Signed Disclosures (can be PTF condition)
- Evidence of Insurance

Please contact broker support with questions at 800.924.3884 or [brokersupport@directcorp.com](mailto:brokersupport@directcorp.com) \*Additional conditions may apply.

## Request for Taxpayer Identification Number and Certification

Give form to the  
 requester. Do not  
 send to the IRS.

Print or type  
 See Specific Instructions on page 2.

Name		
Business name, if different from above		
Check appropriate box: <input type="checkbox"/> Individual/ Sole proprietor	<input type="checkbox"/> Corporation	<input type="checkbox"/> Partnership <input type="checkbox"/> Other ▶ .....
Address (number, street, and apt. or suite no.)		<input type="checkbox"/> Exempt from backup withholding
City, state, and ZIP code		Requester's name and address (optional)
List account number(s) here (optional)		

### Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. For individuals, this is your social security number (SSN). **However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3.** For other entities, it is your employer identification number (EIN). If you do not have a number, see **How to get a TIN** on page 3.

Social security number								

or

Employer identification number								

**Note:** If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

### Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), **and**
2. I am not subject to backup withholding because: **(a)** I am exempt from backup withholding, or **(b)** I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or **(c)** the IRS has notified me that I am no longer subject to backup withholding, **and**
3. I am a U.S. person (including a U.S. resident alien).

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. (See the instructions on page 4.)

**Sign Here**

Signature of  
 U.S. person ▶

Date ▶

### Purpose of Form

A person who is required to file an information return with the IRS, must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

**U.S. person.** Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee.

**Note:** If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

**Foreign person.** If you are a foreign person, use the appropriate Form W-8 (see **Pub. 515**, Withholding of Tax on Nonresident Aliens and Foreign Entities).

### Nonresident alien who becomes a resident alien.

Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the recipient has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

**Example.** Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a **nonresident alien or a foreign entity** not subject to backup withholding, give the requester the appropriate completed Form W-8.

**What is backup withholding?** Persons making certain payments to you must under certain conditions withhold and pay to the IRS 30% of such payments (29% after December 31, 2003; 28% after December 31, 2005). This is called "backup withholding." Payments that may be subject to backup withholding include interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will **not** be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

**Payments you receive will be subject to backup withholding if:**

1. You do not furnish your TIN to the requester, or
2. You do not certify your TIN when required (see the Part II instructions on page 4 for details), or
3. The IRS tells the requester that you furnished an incorrect TIN, or
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the instructions below and the separate **Instructions for the Requester of Form W-9**.

## Penalties

**Failure to furnish TIN.** If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

**Civil penalty for false information with respect to withholding.** If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

**Criminal penalty for falsifying information.** Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

**Misuse of TINs.** If the requester discloses or uses TINs in violation of Federal law, the requester may be subject to civil and criminal penalties.

## Specific Instructions

### Name

If you are an individual, you must generally enter the name shown on your social security card. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

**Sole proprietor.** Enter your **individual** name as shown on your social security card on the "Name" line. You may enter your business, trade, or "doing business as (DBA)" name on the "Business name" line.

**Limited liability company (LLC).** If you are a single-member LLC (including a foreign LLC with a domestic owner) that is disregarded as an entity separate from its owner under Treasury regulations section 301.7701-3, **enter the owner's name on the "Name" line.** Enter the LLC's name on the "Business name" line.

**Other entities.** Enter your business name as shown on required Federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name" line.

**Note:** *You are requested to check the appropriate box for your status (individual/sole proprietor, corporation, etc.).*

### Exempt From Backup Withholding

If you are exempt, enter your name as described above and check the appropriate box for your status, then check the "Exempt from backup withholding" box in the line following the business name, sign and date the form.

Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends.

**Note:** *If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.*

**Exempt payees.** Backup withholding is **not required** on any payments made to the following payees:

1. An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2);
2. The United States or any of its agencies or instrumentalities;
3. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities;
4. A foreign government or any of its political subdivisions, agencies, or instrumentalities; or
5. An international organization or any of its agencies or instrumentalities.

Other payees that **may be exempt** from backup withholding include:

6. A corporation;
7. A foreign central bank of issue;
8. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States;

- 9. A futures commission merchant registered with the Commodity Futures Trading Commission;
- 10. A real estate investment trust;
- 11. An entity registered at all times during the tax year under the Investment Company Act of 1940;
- 12. A common trust fund operated by a bank under section 584(a);
- 13. A financial institution;
- 14. A middleman known in the investment community as a nominee or custodian; or
- 15. A trust exempt from tax under section 664 or described in section 4947.

The chart below shows types of payments that may be exempt from backup withholding. The chart applies to the exempt recipients listed above, **1** through **15**.

If the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt recipients except for <b>9</b>
Broker transactions	Exempt recipients <b>1</b> through <b>13</b> . Also, a person registered under the Investment Advisers Act of 1940 who regularly acts as a broker
Barter exchange transactions and patronage dividends	Exempt recipients <b>1</b> through <b>5</b>
Payments over \$600 required to be reported and direct sales over \$5,000 <sup>1</sup>	Generally, exempt recipients <b>1</b> through <b>7</b> <sup>2</sup>

<sup>1</sup> See **Form 1099-MISC**, Miscellaneous Income, and its instructions.

<sup>2</sup> However, the following payments made to a corporation (including gross proceeds paid to an attorney under section 6045(f), even if the attorney is a corporation) and reportable on Form 1099-MISC are **not exempt** from backup withholding: medical and health care payments, attorneys' fees; and payments for services paid by a Federal executive agency.

## Part I. Taxpayer Identification Number (TIN)

**Enter your TIN in the appropriate box.** If you are a **resident alien** and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see **How to get a TIN** below.

If you are a **sole proprietor** and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-owner **LLC** that is disregarded as an entity separate from its owner (see **Limited liability company (LLC)** on page 2), enter your SSN (or EIN, if you have one). If the LLC is a corporation, partnership, etc., enter the entity's EIN.

**Note:** See the chart on page 4 for further clarification of name and TIN combinations.

**How to get a TIN.** If you do not have a TIN, apply for one immediately. To apply for an SSN, get **Form SS-5**, Application for a Social Security Card, from your local Social Security Administration office or get this form on-line at [www.ssa.gov/online/ss5.html](http://www.ssa.gov/online/ss5.html). You may also get this form by calling 1-800-772-1213. Use **Form W-7**, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or **Form SS-4**, Application for Employer Identification Number, to apply for an EIN. You can get Forms W-7 and SS-4 from the IRS by calling 1-800-TAX-FORM (1-800-829-3676) or from the IRS Web Site at [www.irs.gov](http://www.irs.gov).

If you are asked to complete Form W-9 but do not have a TIN, write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

**Note:** Writing "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

**Caution:** A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.

## Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 3, and 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). Exempt recipients, see **Exempt from backup withholding** on page 2.

**Signature requirements.** Complete the certification as indicated in 1 through 5 below.

**1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983.** You must give your correct TIN, but you do not have to sign the certification.

**2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983.** You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

**3. Real estate transactions.** You must sign the certification. You may cross out item 2 of the certification.

**4. Other payments.** You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

**5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA or Archer MSA contributions or distributions, and pension distributions.** You must give your correct TIN, but you do not have to sign the certification.

## What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account <sup>1</sup>
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor <sup>2</sup>
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee <sup>1</sup>
b. So-called trust account that is not a legal or valid trust under state law	The actual owner <sup>1</sup>
5. Sole proprietorship or single-owner LLC	The owner <sup>3</sup>
For this type of account:	Give name and EIN of:
6. Sole proprietorship or single-owner LLC	The owner <sup>3</sup>
7. A valid trust, estate, or pension trust	Legal entity <sup>4</sup>
8. Corporate or LLC electing corporate status on Form 8832	The corporation
9. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
10. Partnership or multi-member LLC	The partnership
11. A broker or registered nominee	The broker or nominee
12. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity

<sup>1</sup> List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

<sup>2</sup> Circle the minor's name and furnish the minor's SSN.

<sup>3</sup> **You must show your individual name**, but you may also enter your business or "DBA" name. You may use either your SSN or EIN (if you have one).

<sup>4</sup> List first and circle the name of the legal trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.)

**Note:** *If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.*

## Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons who must file information returns with the IRS to report interest, dividends, and certain other income paid to you, mortgage interest you paid, the acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA or Archer MSA. The IRS uses the numbers for identification purposes and to help verify the accuracy of your tax return. The IRS may also provide this information to the Department of Justice for civil and criminal litigation, and to cities, states, and the District of Columbia to carry out their tax laws. We may also disclose this information to other countries under a tax treaty, or to Federal and state agencies to enforce Federal nontax criminal laws and to combat terrorism.

You must provide your TIN whether or not you are required to file a tax return. Payers must generally withhold 30% of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to a payer. Certain penalties may also apply.





# DirectWare<sup>®</sup> Login Request Form

Please allow 1 week for your login to be created.  
Broker approval is required before logins are issued.



Direct Mortgage Corp. • 6955 S Union Park Center, Suite 540 • Salt Lake City, UT 84047 • 801.924.2300

**Please fill out this form completely for each loan officer or processor. It is important that we have current and up-to-date information.** A *separate* login and password are required for *each individual* who requires access to Direct Mortgage's *DirectWare®*. To receive a login and password, please provide the following information. This data is for Direct Mortgage use only and will be kept in strict confidence. Personal information is not given or sold to any other party. When completed, fax this form to 801.924.2398 or email it to brokerapproval@directcorp.com. *Access is at the sole discretion of Direct Mortgage Corp. and may be terminated at any time without prior notice.*

**Forms can be faxed to 801.924.2398 or emailed to [BrokerApproval@Directcorp.com](mailto:BrokerApproval@Directcorp.com)**

**NOTE: All fields must be completed. No login or password will be provided for incomplete forms.**

1. Your Full Name \_\_\_\_\_
2. Password (Min. of 6/max. of 10 characters. Include only letters/numbers. Case sensitive.) \_\_\_\_\_
3. Company Name \_\_\_\_\_
4. Company/Branch Office Address \_\_\_\_\_
5. Company/Branch City, State, Zip \_\_\_\_\_
6. Your Position \_\_\_\_\_  
*(Please indicate full position title)*
7. Office Telephone Number \_\_\_\_\_
8. Fax Number \_\_\_\_\_
9. Other Phone Number/Pager, etc. \_\_\_\_\_
10. Mobile Phone Number \_\_\_\_\_
11. Mobile Provider (to receive instant loan status notifications by text messaging [not required]):  
AT&T Cricket Nextel Sprint T-Mobile Verizon Other: \_\_\_\_\_
12. Email Address \_\_\_\_\_  
*(Where you would like instant loan status notifications sent. By listing your email you give Direct Mortgage permission to send you emails including but not limited to emails related to Direct Mortgage, its services and products, and your relationship with us.)*
13. Select one or both methods of instant loan status notifications:      E-mail      Text Message

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**\*\*To be filled out by YOUR corporate officer\*\***

14. Does the person listed above have permission to view loans of other people in your company?      Yes      No
15. Name and Title of corporate officer authorizing access to DirectWare:  
*(This person **must be** the President, CEO, Secretary, or Owner. Please print name AND title.)*  
Name: \_\_\_\_\_ Title: \_\_\_\_\_
16. Signature of corporate officer authorizing access to DirectWare:  
*(If user making the request already has a login, no signature is needed.)*  
\_\_\_\_\_

Phone: 801.924.2300 [www.directmortgagewholesale.com](http://www.directmortgagewholesale.com)  
6955 S. Union Park Center, Suite 540, Midvale, Utah 84047



Enclosed for your reference is a copy of the Wholesale Broker Agreement which governs the relationship between you and DMC. Please read the Agreement carefully. By logging onto the Web Site and accessing the System, as described in this Agreement, or otherwise by submitting any loan to DMC for consideration, you are agreeing to the terms and conditions of the Agreement, including the terms and conditions of access to the Web Site.

You may access the restricted portion of the Web Site and obtain a user name and password by working with your Account Executive.

Please remember that you are responsible for controlling access to the Web Site and the System, through the log-in and password provided herein. We are entitled to rely on any information, consent, representation or agreement we receive through this access granted to you, regardless of who sends this information using your log-in and password.

If you have any questions, please call (801) 924-2300, technical support. We look forward to a strong business relationship.

Very truly yours,

DIRECT MORTGAGE CORP

Direct Mortgage Corp  
Wholesale Broker Agreement

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## BROKER AGREEMENT

**THIS AGREEMENT** is entered into, as of the effective date stated in paragraph 27, between **Direct Mortgage Corp.** hereinafter referred to as “DMC”, and \_\_\_\_\_, hereinafter referred to as “Broker”.

WHEREAS, Broker wishes from time to time to sell and DMC wishes from time to time to buy all of Broker’s right, title and interest in and to certain promissory notes secured by first or second liens on residential real property provided such mortgages conform to DMC’s underwriting standards (the “Loans” or a “Loan”); and

WHEREAS, the parties wish to establish a non-exclusive relationship between and for the benefit of DMC and Broker, whereby Broker will submit to DMC, in compliance with DMC’s loan underwriting standards, loan packages pursuant to the terms and conditions herein;

NOW THEREFORE, in consideration of promises, covenants and agreements hereinafter contained, the parties agree as follows:

1. **Broker Responsibility:**

Broker shall perform all of the following items at Broker’s sole expense and Broker further agrees to these conditions in addition to the other promises, representations and covenants contracted herein:

- A. Submit to DMC completed loan application packages for applicants under such programs, products and fee schedules as DMC periodically may establish.
- B. Furnish to DMC applicant’s credit, financial and other information DMC may require.
- C. Provide such information as DMC may reasonably request to assist DMC in marketing such Loans to the secondary market.
- D. Perform such other services as DMC shall require to close such Loans.
- E. Broker acknowledges that the content of Loan packages submitted to DMC immediately shall become the property of DMC, and all information contained therein may be subject to DMC’s independent verification.
- F. Broker agrees to comply with all applicable local, and state and federal law, including, but not limited to, Real Estate Settlement Procedure Act, the Equal Credit Opportunity Act, the Truth In Lending Act, the Fair Credit Reporting Act and any other governmental regulatory requirements relevant to the brokerage of real property secured loan applications.

2. **Broker Warranties:**

Broker represents and warrants to DMC **both** at the time any Loan package is submitted to DMC, and at the time that any Loan is funded and closed, that:

- A. Broker is duly licensed to do business in the state identified in Broker’s Application as Broker’s main office address and possesses and agrees to maintain as valid, all necessary licenses, permits and authority to engage in activities contemplated by this Agreement.
- B. Broker, if it is a corporation, limited liability company, limited partnership or limited liability partnership, is duly organized, validly existing and in good standing under appropriate state laws, and has full power and authority to own its assets and carry its business as it is now being conducted, and is duly qualified to transact business as a foreign entity in all states where such qualification is required.
- C. Broker has the requisite authority and capacity to enter into this Agreement.
- D. None of the statements or information contained in any Loan package contains any untrue or erroneous statement or omission of a material fact, which would in any way affect DMC’s Loan application review and approval processes. Broker understands that by making the warranty contained in this paragraph, Broker is warranting the accuracy of all information contained in any Loan package submitted to DMC to the best of Broker’s knowledge, after due and proper investigation.
- E. Unless disclosed to DMC in writing before the funding of any Loan, Broker shall not receive any direct or indirect compensation from any third party with respect to the Loan, including, without limitation, payment involving escrow, appraisal or sale. Broker shall have no direct or indirect ownership of any property acting as security for the Loan being reviewed by DMC for purposes of purchase.

- F. All real estate appraisals made in connection with each Loan have been performed in accordance with DMC's Underwriting Guidelines and with industry standards in the area where the appraised property is located and on the FNMC/FHLMC Form and any riders thereto.
- G. All Loan applications submitted to DMC have been originated and prepared by trained and licensed (as necessary) employees of Broker, competent in all aspects of mortgage lending activities. All Loan applications have been properly originated, prepared and completed in accordance with the procedures and guidelines of DMC. Further, Broker agrees to deliver to DMC any and all exhibits or documents contained or prepared by Broker in connection with each Loan submitted.
- H. Broker has taken the necessary steps to ensure that there has been no material change in the condition of any loan applicant from the time the Loan application was submitted to DMC and the time of the closing of such Loan.
- I. Broker has performed such independent investigation of the loan applicant and the materials and information provided by the applicant to enable Broker to make the representations and warranties provided herein.
- J. Broker adequately supervises its employees, agents or independent contractors involved in Broker's activities as contemplated herein and Broker takes all steps necessary to ensure that goods or services provided by such employees, agents or independent contractors are in compliance with all applicable laws and the terms and conditions of this Agreement. As between Broker and DMC, Broker assumes full responsibility for all actions performed by Broker's employees, agents and independent contractors.
- K. Broker is not aware of any change in the intent or structure of the Loan. Broker has taken no action to alter the Loan structure between the time the loan application is submitted to DMC and the closing of such Loan.
- L. The Loan documents are duly executed by all necessary parties, appropriately acknowledged and in recordable form. Loan documents delivered to DMC by Broker constitute the entire agreement regarding the Loan, and there is no verbal understanding or written modification which would affect the terms of Loan.
- M. Broker is the sole owner of the Loan and has authority to sell, transfer and assign the same on the terms set forth herein and there still has been no assignment, sale or hypothecation thereof by Broker.
- N. All federal and state laws, rules and regulations applicable to the mortgage Loans have been complied with, including but not limited to the Real Estate Settlement Procedures Act, the Flood Disaster Protection Act, the Federal Consumer Credit Protection Act including the Truth-in-Lending and Equal Credit Opportunity Acts, and all applicable statutes or regulations governing fraud, lack of consideration, unconscionability, consumer credit transactions or interest charges.
- O. Broker has no knowledge of any circumstances or conditions with respect to any Loan, mortgaged property, trustor/mortgagor or trustor's mortgagor's credit standing that reasonably could be expected to cause 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 the Loan.
- P. Each Loan is a valid first lien or, if specifically approved by DMC, a valid second lien on the mortgaged property, and the mortgaged property is free and clear of all encumbrances and liens having priority over the lien of such Loan, except for the first lien, if applicable, and liens for real estate taxes and special assessments not yet due and payable and those exceptions allowed in connection with Government Loans and other exceptions expressly agreed to by DMC.
- Q. The mortgaged property is free and clear of all mechanics' and materialmen's liens or liens in the nature thereof, and no rights are outstanding than under law would give rise to any such lien, nor is Broker aware of any facts which could give rise to any such lien.
- R. No Loan is the subject of, and Broker is not aware of any facts which could give rise to, litigation which could affect DMC's ability to enforce the terms of the obligation or its rights under the mortgage documents.
- S. There is in force for each Loan valid hazard insurance policy coverage and, where applicable, valid flood insurance policy coverage, and such coverages meet the requirements of DMC.
- T. Broker will record the corporate assignment in the name of DMC at the time the deed of trust/mortgage is recorded, and the assignment of the Loan from Broker to DMC shall be valid and enforceable.
- U. The borrower has no rights of rescission, set-offs, counter-claims or defenses to the note or deed of trust; mortgage securing the note arising from the acts and/or omissions of Broker.
- V. Broker has no knowledge that any improvement located on or being part of the mortgaged property is in violation of any applicable zoning law or regulation.
- W. All improvements included for the purpose of determining the appraised value of the mortgaged property lie wholly within the boundaries and building restriction lines of such property, and no improvements on adjoining properties encroach upon the mortgaged property.

X. There is no proceeding pending for total or partial condemnation of any mortgaged property and said property is free of substantial damage (including, but not limited to, any damage by fire, earthquake, windstorm, vandalism or other casualty) and in good repair.

3. **Broker Independent Contractor:**

Broker acknowledges that nothing in this Agreement shall be construed to create a joint venture between Broker and DMC. In addition, nothing in this Agreement shall be construed to cause Broker to become or to be treated as a partner, agent, representative, or employee of DMC, and Broker shall not hold itself out as such. Broker may not use DMC's name in any advertising medium. Broker agrees that it shall conduct any and all business activities with DMC in the capacity of an independent contractor. As an independent contractor to DMC, Broker shall determine the method, details and means of performing of all services described within this agreement.

4. **Indemnification of DMC**

As additional consideration for DMC entering into this Agreement with Broker, Broker shall indemnify and hold DMC, its shareholders, directors, officers, agents and attorneys, employees, successors and assigns, harmless from and against and shall reimburse the same with respect to, any and all loss, damage, liability, cost and expense, including reasonable attorney's fees, incurred by reason of or arising out of or in connection with; whether the result of negligence or intentional conduct or otherwise, as follows:

- A. Any breach of any representation or warranty contained in this entire Agreement;
- B. Broker's failure to perform any obligation hereunder, and
- C. Any claim by an applicant resulting from DMC's failure or refusal to fund a loan. Without limiting generality of the foregoing, Broker's indemnity shall extend to all repurchase demands of any third party to which DMC has sold any loan where Broker has violated representations or warranties set forth herein.

5. **DMC Has Sole Discretion to Approve Loans:**

Loan approval shall be within DMC's sole discretion. Broker shall not represent that DMC has approved or will approve any Loan until Broker is so informed by DMC in writing. In the event that a loan application is denied, DMC shall cause to be delivered to Broker a statement of credit denial, termination or change. Broker agrees to conform to regulations of the Equal Credit Opportunity Act.

6. **Repurchase:**

A. In addition to its obligations to indemnify under paragraph 4, Broker shall repurchase any Loan sold to DMC pursuant to this Agreement, within twenty business days of receipt of written notice from DMC of any of the following circumstances (the "Repurchase Obligation"):

- 1. Broker fails to deliver to DMC within seven (7) days from the date each Loan was purchased the original documents evidencing the Loan.
- 2. DMC determines that there is any evidence of fraud in the origination of the Loan or in the sale of the Loan to DMC or that any matter in the mortgage loan file is not true and correct.
- 3. If DMC determines the Loan is not eligible for GNMA, FNMA or FHLMC pool participation or whole loan purchase or purchase by a private investor, or, if DMC has sold such Loan in whole or in part to GNMA, FNMA, FHLMC or a private investor, and GNMA, FNMA, FHLMC or the private investor requires DMC to repurchase said interest or reimburse it for losses, or the mortgage insurer denies coverage on the Loan; provided the reason for such ineligibility, repurchase, reimbursement or denial shall be unrelated to any act or omission of DMC.
- 4. If the first payment due DMC or its assignee under the Loan is not received by DMC or its assignee, whether from the borrower directly or forwarded by Broker if the Borrower has submitted the payment to Broker, by the last day of the month in which it is due, and, in addition, at any time within the first twelve months after the Loan has been purchased by DMC, the Borrower is 90 days delinquent with respect to a monthly payment. For this purpose a Borrower shall be considered to be 90 days delinquent on a monthly payment if it is not received by DMC, or its assignee by the last day of the third month, regardless of the number of days in the month. For example, if the Borrower has not made his/her January payment by the last day of March, the Borrower shall be considered 90 days delinquent with respect to the January payment. Broker shall not have the right to advance funds for or on behalf of a Borrower for any delinquent payment or to otherwise make funds available to any Borrower to avoid or cure a default by the Borrower. A payment for which DMC deducted funds at the time it purchased the Loan from Broker shall not be considered the first payment due DMC.

5. More than 80% of the original principal amount of the Loan is paid, by refinance or otherwise, within 180 days of the funding of the Loan.
  6. Broker fails to observe or perform or breaches in any material respect any of the representations, warranties or agreements contained in this Agreement with respect to a particular Loan.
- B. The option to request or accept repurchase of any Loan is at the sole discretion of DMC. The repurchase price for Loans subject to a Repurchase Obligation pursuant to this Section 6 shall be as follows:
1. The current unpaid principal balance of such Loan; plus
  2. All interest accrued but unpaid on the principal balance of the Loan from date the loan was funded through and including the last day of the month in which the Broker repurchases the Loan; plus
  3. All expenses, including but not limited to reasonable fees and expenses of counsel, incurred by DMC in enforcing Broker's obligation to repurchase such Loan; plus
  4. All expenses, including reasonable attorneys' fees, incurred in enforcement of the borrower's obligations under the Note, including foreclosure costs and fees; plus
  5. Any costs, expenses, fees or penalties paid by DMC to GNMA, FNMA, FHLMC or a private investor in connection with any repurchase by DMC of the Loan, or in connection with DMC's inability to sell the Loan; plus
  6. Any servicing release premium paid by DMC with respect to such Loan; plus
  7. Any unreimbursed advances of taxes or insurance made by DMC with regard to such Loan as of the date of repurchase; less
  8. Any proceeds of mortgage insurance with respect to the Loan collected by DMC.
- Upon any such repurchase of Loans by Broker, DMC shall endorse the promissory note (without recourse) and shall assign any security interest (without recourse and in recordable form) to Broker.
- C. It is agreed by the parties that Broker's Repurchase Obligation with respect to a Loan shall not be obviated by the fact that the property securing the Loan has been foreclosed upon and said property has been acquired by DMC or a third party, it being understood that the term Repurchase Obligation encompasses within its meaning the repurchase of the property from DMC if DMC has acquired the property, or, if a third party has acquired the property, reimbursing DMC in the amount specified in Section 6.B. of this Agreement.
- D. It is further agreed by the parties that if DMC has made demand on Broker to repurchase a Loan pursuant to this Section 6 of this Agreement, DMC shall have the right to withhold any monies due Broker in connection with the Loan(s) subject to the Repurchase Obligation or any other Loans until the parties have agreed that the Repurchase Obligation is satisfied.

7. **Change in Underwriting Standards:**

Broker agrees that should DMC's underwriting standards be amended at any time that Broker shall comply with all underwriting guidelines and modifications thereto. In the event DMC purchased a Loan, which does not comply with its underwriting guidelines, the exception must be pre-approved in writing by DMC. DMC may purchase such nonconforming loans at DMC's option and sole discretion. However, DMC will not be obligated to purchase any loans, which do not conform to said guidelines.

8. **Inspection Rights of DMC:**

Broker agrees to keep and maintain such books and records so as to meet and comply with all applicable federal and state laws and regulations. Broker hereby grants permission and authority to DMC to audit Broker's books and records and to order investigative credit reports on Broker and its principals, employees, and agents as deemed necessary in the sole discretion of DMC. Broker understands that DMC and/or the loan purchasers of DMC will maintain an active Quality Control System and that DMC will routinely re-verify pertinent credit documentation and appraisals submitted by Broker.

9. **Early Pay-off:**

Broker acknowledges and agrees that, if a Loan is refinanced or substantially paid within 6 months of funding, DMC will suffer damages or costs as a result of such early pay-off. Without limiting any other obligations under this Agreement, Broker agrees that if more than 80% of the original principal balance of any Loan is paid, by refinance or otherwise, within 180 days of the funding of such Loan, Broker will pay to DMC, within seven (7) days of notice from DMC, all costs, fees, damages or penalties suffered by or incurred by DMC as a result of such early pay-off.

10. **Survival of Representation and Warranties upon Termination:**

It is expressly understood that all representations, promises and warranties made by Broker pursuant to this Agreement shall survive any termination of this Agreement, whether voluntary or for cause. This Agreement

may be terminated by either party upon written notice to the other party; but the provisions of this agreement will survive such termination as said provisions relate to loan packaging requirements described herein for any loans provided to DMC before termination.

11. **Notice:**

All notices required herein 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 deposit, if delivered by a nationally recognized courier service offering guaranteed, overnight delivery; or
- C. Three business days after deposit in the United States mail, certified mail, postage prepaid, return receipt requested, to the addresses appearing in paragraph 19.

12. **Disclosure of Information:**

Broker understands and agrees that DMC may report to others instances of Broker making any written material misstatement and/or omission of any material fact concerning any loan application and/or knowingly aiding an applicant to do the same. At the sole discretion of DMC this information may be reported to the appropriate state and federal governmental agencies and/or other persons to whom DMC may legally provide such information.

13. **No Assignment of Broker's Rights or Duties:**

Broker shall not have the right to assign any of its duties, obligations, or rights under this Agreement without the prior written consent of DMC.

14. **Attorney's Fees:**

If any legal action or proceeding is brought for the enforcement of this Agreement, or because of any alleged dispute, breach, default or misrepresentation in connection with any of the provisions of the Agreement, the successful or prevailing party or 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 otherwise entitled.

15. **Governing Law:**

This Agreement is entered into and shall be governed by and construed under the laws of the State of Utah. In the event of any legal action to enforce or interpret this Agreement, the sole and exclusive venue shall be a court of competent jurisdiction located in the Salt Lake County, State of Utah, and the Parties hereby agree to and do hereby submit to the jurisdiction of such court.

16. **Entire Agreement:**

This Agreement constitutes the entire Agreement between the parties pertaining to the subject matter contained herein and supersedes all prior and contemporary agreements, representations and understandings between the parties hereto. No supplements, modifications or amendments shall be binding unless executed by both parties, except where DMC has been specifically granted the right hereunder to unilaterally amend the terms and conditions of this Agreement.

17. **Enforceability of Agreement:**

If any provision of this Agreement is held invalid, void or unenforceable, the remaining provisions hereof shall nevertheless continue in full force without being impaired or invalidated in any way.

18. **Further Acts of Parties:**

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.

19. **Incorporation of Exhibits:**

All exhibits to this Agreement are incorporated herein by this reference and are considered a part of the Agreement. It is the intention of the parties herein that this Agreement shall be construed under and according to the substantive laws of the State of Utah and shall not be binding until executed by DMC. All questions regarding the validity, interpretation or performance of any of its terms, representations and warranties, or any rights or obligations of the parties shall be governed by the laws of the State of Utah.

20. **Addresses of Notices:**

All notices required to be given hereunder must be directed as follows:

If to DMC:

Direct Mortgage Corp.  
6955 South Union Park Center, Suite 540  
Midvale, UT 84047  
Attn: Broker Department

If to Broker:

To the address identified as Broker's main office in the Broker Application submitted by Broker.

21. **DMC's Right of Offset:**  
Broker agrees that DMC may, at its option and in its sole discretion, offset amounts owed to Broker and withhold payment to Broker of any amounts otherwise payable by DMC to Broker, amounts equal to any amount owed by Broker to DMC pursuant to this Agreement.
22. **Captions:**  
Any captions hereunder are for convenience or reference only and are not to be construed to be confining or limiting in any way upon the scope of the provisions hereof.
23. **Waiver:**  
The waiver of any breach, term, provision or condition of this Agreement shall not be a waiver of any other or subsequent breach of any term, provision or condition. All remedies afforded by this Agreement hereof shall be cumulative; that is, in addition to all other remedies provided for herein or in law or in equity.
24. **Use of "DirectWare"**
  - A. **System and Software.** Subject to the terms and conditions of this Agreement, DMC grants to Broker the non-exclusive, non-assignable right, during the term of this Agreement, to use (i) the electronic mortgage information transaction system owned by DMC and known as DirectWare (the "System"), and (ii) the System software, any updates and enhancements of such software which are made available by DMC to Broker, and all code and controls contained in the Web Site, as well as any subsequent code which may be written in any programming language (collectively, the "Software"), without change, along with any reports or other printouts generated by the Software in the course of its normal operation ("Output"), any documentation related to the Software, and any copies of the foregoing which Broker is permitted to make pursuant to the terms of this Agreement and the Guide. Broker may only access the System using the Software via the Internet through the DMC Web Site (the "Web Site"), and will cause to be entered into the System only data regarding the Loans, subject to any limitations set forth in Guide. Broker's use of the System is subject to all provisions of this Agreement and all instructions as may be communicated by DMC from time to time in writing, including, without limitation, restrictions on the use of the System. Broker shall not: (a) decompile, disassemble, reverse engineer, or otherwise determine or attempt to determine source code for the executable code of the Software or any information, products or services obtained from the Web Site (collectively, the "Products"), (b) rent, lease, transfer, sell, publish, license, distribute or otherwise transfer any rights to the Products; (c) modify, translate, enhance, maintain, or create derivative works based on the Products; (d) except to the extent necessary to use the System for the sole purpose set forth in this Section 24.A., modify, copy, distribute, transmit, display, perform or reproduce the Products; (e) except to the extent otherwise provided in this Agreement or consented to by DMC in writing, permit any third parties to use the System, either directly or through Broker; (f) use the System for any purpose other than the purpose for which DMC has developed the System; or (g) copy, download, or otherwise access the System software except as such operations are performed by the Software in the course of its normal operation.
  - B. **System Ownership.** Broker acknowledges that it has no ownership or other interest or license in the System or Software, except to the extent of the rights expressly granted herein. Title, ownership rights, and intellectual property rights (including all applicable rights to copyrights, trade secrets, patents, and trademarks) in and to the System and Software and any modifications or enhancements made to the System or Software belong to and will remain with DMC.
  - C. **Procedures for Broker's Use.** Broker hereby agrees that the Web Site shall be used by Broker's authorized employees only. DMC shall provide Broker access to the System. Broker shall be solely responsible for (i) preventing unauthorized use of the identification numbers and passwords, (ii) unauthorized use of the System in connection with Broker's identification numbers and passwords, and (iii) controlling access to the System and implementing effective security measures. DMC shall have no liability with respect to any such unauthorized use. Broker shall list Broker's authorized



users, and ensure that each individual identification number and password is used only by the person identified in the System. Broker will permit DMC to audit or review Broker's controls and procedures relating to the access and security of the System.

- D. Broker's Obligation to Review System Input Daily. Broker acknowledges and agrees that it will be solely responsible for reviewing on a daily basis the data it inputs into the System and for disputing inaccurate or erroneous data, and the actions DMC takes based upon such inaccurate or erroneous data, within one business day of the date on which such data was input into the System by Broker. Broker agrees that DMC will have no liability whatsoever arising out of or related to inaccurate or erroneous data which is not disputed within the time period set forth above.
- E. Broker's Obligation to Submit Loans through the System. Broker acknowledges and agrees that Broker must submit all Loans to DMC through the System to the extent the System supports the applicable loan program and/or product. The loan programs and/or products supported by the System may be expanded or reduced from time to time and DMC will notify Broker of the new loan programs and/or products supported by the System as they change. All rate locks shall have the same force and effect as a rate lock received by DMC's Rate Lock Desk via telephone or facsimile in accordance with the applicable terms set forth in this Agreement and the Guide. Broker's Master Commitment price breaks will not apply to rate locks issued through the System. Broker acknowledges that all rate locks are subject to changes if, upon review of the Data (as defined below), DMC determines, in its sole and absolute discretion, that the Data is incomplete or is not supported by the loan documents, or any other documents that DMC receives from Broker or otherwise obtains in connection with the Data verification process.
- F. System Fees. Broker will not be assessed a fee for the use of the System; provided, however, that DMC, in its sole and absolute discretion, reserves the right to charge a fee for use of the System at a future date. In the event that DMC commences charging a fee for use of the System, DMC shall provide Broker thirty (30) days' prior written notice of such fee. Broker shall have the right to terminate this Agreement upon receipt of DMC 's notice regarding the charging of such fee.

25. **Amendments:**

DMC may amend the terms of this Agreement at any time on thirty (30) days notice to Broker. By accessing the System through DMC's Web Site, or otherwise submitting any loan or loan application to DMC after the effective date of any amendment, as stated in notice by DMC to Broker, Broker accepts any such modification and agrees to be bound by the terms thereof. Broker acknowledges and agrees that such notice may, in addition to the options described in paragraphs 11 and 20 hereof, be given by DMC by notice on DMC's Web Site, accessible by Broker. Without limiting the foregoing, Broker agrees that, in the event DMC posts on the Broker-accessible portion of DMC's Web Site modifications or changes to this Agreement, such modifications will be effective as to Broker thirty (30) days after Broker first accesses DMC's Web Site with such changes, if not earlier effective.

26. **Acceptance of Agreement:**

By accessing the System through DMC's Web Site, or otherwise submitting any loan or loan application to DMC, Broker accepts this Agreement and agrees to be bound by the terms stated herein.

27. **Effective Date:**

This Agreement is effective on acceptance, as described in paragraph 26 above.