

**THIS DRAFT AGREEMENT IS SOLELY FOR DISCUSSION PURPOSES; IT IS NOT INTENDED TO BE LEGAL ADVICE AND IS NOT RECOMMENDED BY THE AUTHOR/SPEAKERS AS A STANDARD FORM TO BE USED BY CMA MEMBERS. THIS FORM WAS DESIGNED ONLY FOR LOANS MADE OR ARRANGED BY CAL. REAL ESTATE LICENSEES AND SECURED BY PROPERTY IN CALIFORNIA. ALL FORMS SHOULD BE REVIEWED, REVISED AND APPROVED BY YOUR OWN COUNSEL IN LIGHT OF YOUR PARTICULAR BUSINESS PLAN AND PRACTICES.**

### **BROKER-TO-BROKER AGREEMENT**

This BROKER-TO-BROKER AGREEMENT ("Agreement") is made on \_\_\_\_\_, 20\_\_ by and between \_\_\_\_\_ [LENDER'S BROKER]. ("LBC") and \_\_\_\_\_ [BORROWER'S BROKER] ("BBC").

#### **RECITALS**

A. LBC is licensed by the California Department of Real Estate ("DRE"), license # \_\_\_\_\_, to perform services as a [corporate]<sup>1</sup> California real estate broker, and engages in the business of making and/or arranging loans secured by deeds of trust on real property ("Loans"). The loans may be made by LBC or arranged by LBC on behalf of various third party lenders (collectively "Lenders").

B. BBC is licensed by the DRE, license # \_\_\_\_\_, to perform services as a [corporate] California real estate broker. In addition to certain other activities, BBC engages in the business of negotiating and arranging loans on behalf of third party borrowers ("Borrowers"), for which services BBC receives a fee, payable by Borrowers, upon the close of escrow for any such Loan.

C. The purposes of this Agreement are: (1) to set forth the terms and conditions pursuant to which BBC may, from time to time, negotiate and arrange [TYPE OF LOAN E.G., LOANS SECURED BY 1-4 RESIDENTIAL FIRST MORTGAGES] Loans on behalf of Borrowers with or through LBC who may make a loan or who shall act solely on behalf of Lenders in arranging loans; and (2) to set forth the nature of the agency relationships between and among LBC, BBC, their respective Borrowers, and the Lenders.

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<sup>1</sup> Brackets indicate variables that may or may not need to be added.

## **AGREEMENT**

1. ***Agreement for Services.*** BBC, in its discretion and at its sole expense, may, from time to time, submit to LBC completed applications and all supporting documentation attempting to obtain Loans for prospective Borrowers (“Loan Applications”). Each Loan Application shall be complete and submitted under the terms, conditions and requirements as are determined by LBC, or its Lenders, from time to time. Concurrent with the submission of each such Loan Application, BBC will provide LBC with such credit, appraisal, financial and other information that LBC or its Lenders may, in their sole and absolute discretion, require from Borrowers in order to determine whether or not to approve a Loan Application, or to submit any Loan Application to any affiliated or unaffiliated third party lender. Notwithstanding any other provision in this Agreement, LBC shall have the sole and absolute discretion regarding whether: (i) to accept and approve any Loan Application submitted by BBC; (ii) to make any Loan; and (iii) to submit the Loan Application to any one or more Lenders. Acceptance of a Loan Application by LBC for review shall not be, nor shall it be represented to the Borrower or anyone else to be, loan approval or conditional loan approval. BBC shall not represent to Borrower, or to any third person, that LBC or Lender has agreed to make a loan unless or until the Lenders have issued, directly or through LBC, a written loan commitment, with or without conditions.

### ***2. Relationship and Withholding.***

(a) Independent Contractor/Non-Agency. LBC and BBC agree that: (1) each is acting as an independent party; (2) BBC shall provide services hereunder as an independent contractor of Borrower, and BBC shall in no way be deemed or considered to be the agent, subagent, representative or employee of LBC or of Lenders for any purpose, even though compensation may be paid to LBC or its Lender by the Borrower and that compensation may be split with BBC as compensation for BBC’s services rendered to Borrower; and (3) BBC is not a partner or joint venturer with LBC or its Lenders. BBC shall operate from premises other than those of LBC and shall have discretion in the manner of carrying out the activities to be performed by him/her under this Agreement, so long as he/she performs his/her obligations hereunder and, at all times, fully complies with all applicable laws and regulations. BBC shall have no authority to bind LBC or Lenders in any way or to make any representations or warranties on behalf of LBC or Lenders to Borrower or to any third party.

(b) Withholding. LBC shall not withhold any amounts for federal and state income taxes, F.I.C.A., S.D.I., worker’s compensation, unemployment compensation, or the like, from any fee or other form of compensation paid to BBC under the terms of this Agreement. BBC shall pay all federal and state income taxes, F.I.C.A., self-employment tax, S.D.I., and all other taxes and charges levied or assessed with respect to any fee or other form of compensation paid to BBC under this Agreement.

(c) W-9 and Licenses. Along with a signed copy of this Agreement, and as a condition thereof, BBC shall deliver to LBC: (1) a completed W-9 form showing

BBC's Social Security Number or its Federal Identification Number; and (2) true and accurate copies of current, valid licenses from the Cal. Dept. of Real Estate including: a corporate broker's license and a designated officer's broker's license (if BBC is a corporation); an individual broker's license (if not a corporation) and real estate licenses for all employees who will be performing any acts or services requiring a real estate license under California law or under any applicable federal, state or local law. For any licensees who were not previously disclosed to LBC (e.g., new broker or salesperson licensees or new designated broker), BBC agrees to update its licensee information promptly, but no later than the time of submitting a new Loan Application, by delivering to LBC true and accurate copies of valid licenses from the DRE for each and every person for whom BBC would have been required to provide such information at the time this Agreement was signed by BBC and delivered to LBC.

3. **Agency Relationship with Borrowers and Lenders.** Unless expressly agreed to the contrary in writing, with respect to all Loan Applications taken by BBC and submitted to LBC and with respect to all loans made or arranged pursuant to this Agreement, BBC shall act solely as agent for Borrowers, and LBC shall act solely as agent for Lenders or on behalf of the Lenders; and no dual agency or sub-agency shall be created except with the express written disclosure to, and consent of, the respective principals (i.e., the Borrower and the Lender).

As part of each Loan Application, BBC shall deliver to LBC an original agency confirmation signed by the Borrowers agreeing to, and acknowledging, the agency relationship between the Borrower, BBC and LBC. Said agency confirmation shall be in the form attached hereto as Exhibit "A" or such amended form as is adopted by LBC, or its Lenders, from time to time. BBC shall take no action, and make no representations to Borrower or to any third party, that are inconsistent with the agency relationship confirmed by the Borrower in the agency confirmation submitted to LBC along with each completed Loan Application.

Borrower's Broker shall be solely responsible for giving the Borrower a complete, accurate and timely Mortgage Loan Disclosure Statement ("MLDS") required under Business and Professions Code § 10240 et seq. and a Good Faith Estimate required by Real Estate Settlement Procedures Act ("RESPA"). Borrower's Broker shall deliver to LBC a true and accurate copy of these documents as part of the Loan Application and shall deliver to LBC a true and accurate copy of any amended MLDS's immediately after such amended MLDS is given to the Borrower and, in any case, prior to the close of the loan escrow.

Lender's Broker shall be solely responsible for giving the Lender a complete, accurate and timely Lender Purchaser Disclosure Statement ("LPDS") required under Business and Professions Code § 10232.4 et seq.

4. **BBC's Representations and Warranties.** To induce LBC to enter into this Agreement and to induce its Lenders to make loans through LBC pursuant to this Agreement, BBC represents and warrants to LBC and to its Lenders, at the

date of execution of this Agreement and on the date each Loan Application is submitted pursuant hereto:

(a) That BBC, and each person performing services on behalf of BBC for which a California Real Estate license is required, has, and at all times during the term of this Agreement shall have, a current, valid California Real Estate license and all other licenses that may be required by any federal, state or local regulatory authority in order to conduct the business activities contemplated under this Agreement;

(b) That the W-9, license information and all other information submitted to LBC in support of this Agreement at any time during the term of this Agreement, is at the time made true and accurate; that BBC will immediately notify LBC of any and all changes that subsequently render any such information to no longer be true and accurate, and that copies of licenses or other documents submitted to LBC pursuant to this Agreement are complete, unaltered, true and accurate copies of the original documents;

(c) Except as expressly disclosed in writing to LBC and consented to by LBC in writing, that BBC has undertaken a reasonable investigation and has determine that neither BBC nor any licensee working for BBC: (1) is listed on the Specially Designated Nationals ("SDN") list; (2) is subject to any pending criminal, civil or administrative action by any government agency relating in any way to his/her/its conduct while acting in any capacity, whether as a principal or as an agent, involving his/her real estate license or which could lead to suspension or revocation of his/her real estate license (e.g., an investigation or accusation by the DRE, a criminal investigation or a complaint or civil law suit); (3) has had his/her/its real estate license suspended or revoked (conditionally or otherwise) within the past 5 years; or (4) has been convicted of a Felony within the past 10 years;

(d) If BBC is a corporation or a partnership ("Entity"), that such Entity is duly organized, validly existing and in good standing under the law of its state of incorporation and is duly authorized and licensed to do business in California;

(e) That the undersigned has full authority on behalf of BBC to execute this Agreement and any related agreements and instruments, and the consummation of the transactions contemplated by this Agreement and any related agreements and instruments, each have been duly and validly authorized by all necessary corporate action;

(f) That all information submitted by BBC, including without limitation all Loan Applications and supporting documentation (i.e., including, but not limited to, appraisals, credit reports, VOE's, VOMs) from Borrowers or from third parties, shall be true, correct, authentic, currently valid and unaltered from the original, to the best of BBC's knowledge and belief;

(g) That with respect to BBC's activities in general and with respect to each Loan Application in particular, BBC shall comply with all applicable federal, state and local laws, rules, regulations and ordinances, including without limitation and

when applicable: (a) the Equal Credit Opportunity Act (“ECOA”) and Regulation B, and with the Fair Housing Act, in BBC’s communications with applicants whether before or after qualification of said applicant; (b) the Truth-In-Lending Act, as amended, and Regulation Z promulgated thereunder; (c) the Real Estate Settlement Procedures Act (“RESPA”) and Regulation X with respect to the mortgage loan application and settlement process; and (d) Real Estate Law, which shall be deemed to be all provisions in the California Business and Professions Code and in all Regulations promulgated by the Commissioner of the DRE (and all laws referenced therein);

(h) That whenever a loan is subject to RESPA, BBC and each and every agent or subagent working for, with or through BBC in providing any brokerage or any other settlement service has completed the form attached as Exhibit B hereto and that the statements therein are true and accurate both at the time made and at the time BBC any such agent or subagent is paid any compensation;

(i) That BBC shall not demand or receive any compensation, regardless of the form or time of payment, except as disclosed to LBC and to Borrower in the MLDS or in an Amended MLDS, true and accurate copies of which shall be given to LBC as set forth above in paragraph 3 of this Agreement;

(k) That BBC will not and shall not charge fees and costs, when combined with all other fees and cost charged to the Borrower in a Loan made or arranged by LBC, that would render any loan a “covered loan” under Cal. Financial Code §§ 4970 et seq. or subject to the provisions of the federal Home Owners Equity Protection Act a.k.a. “Section 32 loans” (15 U.S.C. §§ 1602(aa) and 1639; Reg. Z § 226.32); and

(l) that, except as approved on a separate written addendum, BBC has established procedures to assure, and has undertaken all reasonable efforts to verify, that Borrowers read and understand English and that Loans are negotiated primarily in English and not in any other language.

##### **5. *Commissions to BBCs.***

(a) Commissions. During the term hereof, in consideration of BBC’s performance of services hereunder, LBC shall pay BBC certain commissions, directly or through escrow, according to an agreement between LBC and BBC to be confirmed in writing before each completed Loan Application is submitted. BBC acknowledges and agrees that no commission shall be earned on a Loan Application he/she/it submits unless and until the specific Loan applied for is closed. If a Loan submitted on behalf of a borrower by BBC is rejected by LBC or its Lender, or such Loan fails to close for any reason whatsoever, including but not limited to the fault of LBC, of its Lender or of BBC, no commission shall be earned.

(b) Manner of Payment. Subject to subdivision (c) of this paragraph 5 and at LBC’s sole option, commissions earned by BBC under this Agreement shall be paid either through escrow or directly by LBC as soon after the closing date of

any Loan submitted by BBC as LBC holds funds to which it is entitled as a matter of right and so long as all necessary loan documents have been properly executed and delivered to LBC.

(c) Off-Sets. To the extent that LBC determines BBC has breached any provisions(s) of the Agreement for which an Indemnity Claim would arise pursuant to paragraph 9 below, and to the extent that there are any sums of money due and owing from LBC or from Lender to BBC, LBC and its Lender shall be entitled to withhold all such sums as a set off, which set off shall be in addition to, and not to the exclusion of, any other remedies available to LBC or to its Lenders.

6. **Term and Termination.** The term of this Agreement shall commence on the later of the date first stated above or upon delivery by LBC to BBC of a fully executed original of this Agreement. Either party may terminate this Agreement at any time, for any reason or for no reason at all (with or without cause), upon delivery of ten (10) days' written notice of termination to the other party.

7. **Compensation upon Termination.** Upon the termination of this Agreement, LBC shall pay BBC any and all commissions earned, due and payable as of the date of termination of the Agreement ("Termination Date"), which commissions shall be paid within thirty (30) days of the Termination Date subject to paragraph 5(c) above. As to completed Loan Applications for a specific loan submitted prior to termination, commissions earned on loans closed after the Termination Date shall be paid within thirty (30) days following the closing date of such loans. No commissions shall be paid under this Agreement where a completed Loan Application for a specific loan was not submitted prior to termination; where a Borrower is represented as to a specific Loan Application by a real estate broker who is not a party to this Agreement; or where, after termination of this Agreement, LBC or Lenders make or arrange a loan for Borrower previously represented by BBC on terms and conditions that are materially different than a previous Loan Application submitted by BBC to LBC. LBC shall pay no commissions to BBC if the termination resulted from BBC's fraud, constructive fraud, gross negligence or other from any other material breach of this Agreement.

8. **LBC's Proprietary Interest in Trade Secrets.** BBC acknowledges that during the term of this Agreement he or she may have access to and become familiar with LBC's or other Lenders' records, documents, files, policies, data and the like regarding LBC or such its Lenders and LBC's business and activities (collectively referred to herein as "Trade Secrets"). BBC acknowledges that the Trade Secrets are special, valuable and unique assets of LBC and/or such other Lenders. LBC and/or such other Lenders would suffer great loss and damage if, during or after the term of this Agreement, BBC should disclose, reveal, divulge or make available, either directly or indirectly, to any person, firm, partnership, corporation, association or other entity, the Trade Secrets. Accordingly, BBC agrees that the Trade Secrets, in their entirety or any portion thereof, shall not be disclosed, revealed, divulged, or made available to any person, firm, partnership, corporation, association or other entity, either directly or indirectly during or after

the term of this Agreement, unless BBC is authorized to do so in writing by LBC's President.<sup>2</sup> BBC agrees that upon termination of this Agreement for any reason, BBC shall immediately return to LBC, or at LBC's instruction to the appropriate Lender, all Trade Secrets then held by, retained or under the control of BBC, and BBC agrees not to make and/or retain any copies of any Trade Secrets. If BBC breaches the provisions of this Paragraph 8, BBC acknowledges that LBC shall be entitled to an injunction restraining BBC from disclosing or from threatening to disclose, in whole or in part, the Trade Secrets to any person, firm, partnership, corporation, association or other entity. Nothing contained in this Paragraph 8 shall be construed to prohibit LBC from pursuing any other rights or remedies available to it in law or in equity, including the recovery of damages from BBC. LBC and BBC acknowledge and agree that the provisions of this Paragraph 8 shall survive the termination of this Agreement.

**9. *Indemnity.***

(a) BBC's Obligations. In addition to any other remedies that the parties may have at law or equity and regardless of indemnitee's negligence, BBC shall defend, indemnify and hold harmless LBC and its Lenders (and their respective officers, directors, agents, employees and representatives) from, against and in respect of any and all claims, losses, liabilities, demands, actions, costs, expenses, debts and direct damages, penalties, fines and forfeitures of any kind, (including, but not limited to, attorneys' fees and other professional fees) which LBC or its Lenders may incur or suffer, arising out of or in any way connected with: (1) a breach by BBC of any representation, warranty or covenant of this Agreement; (2) BBC's failure to perform any of its obligations under this Agreement; (3) the failure of BBC to comply with any applicable legal requirements or with the requirements of LBC or the Lender; (4) an inaccurate or incomplete Loan Application or other documentation obtained by, prepared by or at the direction of BBC; (5) except where LBC has expressly agreed in writing to act as an agent of Borrower or as a dual agent of Borrower and Lender, any claim by a Borrower that LBC or Lenders were the agents or subagents of Borrower or of BBC; and (6) except where an unconditional written loan commitment has been given by LBC or its Lender, any claim by a Borrower that LBC or its Lender agreed to make or arrange a loan and failed or refused to fund said loan (each of the above shall be an "Indemnity Claim").

(b) Notices to LBC. In the event that an Indemnity Claim is brought or threatened, LBC shall immediately deliver notice to BBC of such event, upon becoming aware of such event. BBC's duty to defend and indemnify LBC under this Agreement shall arise immediately upon notice by LBC without the requirement that LBC or its Lender have previously become liable to others or have been required to pay any amounts whatsoever.

(c) Right to Defend. If LBC or Lender shall make a claim for indemnification under this Section 9, BBC or its insurance company may accept the obligation

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<sup>2</sup> If not a corporation, designate the individual broker or authorized person.

covered by such notice and defend the claim at his/her/its expense and with counsel of his/her/its choice reasonably acceptable to LBC. When BBC or its insurance company has accepted liability hereunder it shall keep LBC reasonably informed of the status of such action and the costs related to the action and any proposed settlement offer which he/she/it proposes to accept. If BBC rejects the obligation covered by the notice, LBC may defend such claim with counsel of its choice without prejudice to its rights of indemnification for any loss or expense including, but without limitation, attorneys' fees and costs.

(d) Right to Approve Settlements. BBC shall not settle or offer to settle any Indemnity Claim without the prior written approval of LBC and Lender unless LBC and Lender are fully indemnified for all of Lender's potential liabilities and costs under the settlement and are covered by a general release of all claims.

(e) Policy to Avoid Litigation. It is the policy of LBC to avoid litigation whenever possible. LBC hereby reserves the sole right to determine whether or not any litigation or dispute including Indemnity Claims shall be prosecuted, referred to arbitration, defended, settled, or whether or not legal expenses shall be incurred.

10. **Survival.** The provisions of this Agreement under paragraphs 2(b) 4, 5(c), 8, 9 and 11-19 expressly survive the termination of this Agreement.

11. **Entire Agreement.** This Agreement represents the entire agreement and understanding of the parties, and supersedes all prior and contemporaneous oral or written agreements, understandings or arrangements between the parties. Any amendment to this Agreement shall be in writing and shall be executed by both parties.

12. **Governing Law and Venue.** This Agreement shall be interpreted under and governed by the laws of the State of California and any action arising from this Agreement shall be venued in the Superior Court of the County of [**NAME OF COUNTY**].

13. **Alternative Dispute Resolution (Arbitration, Reference and Mediation).** If initialed below, any claim or dispute arising from or related to this Agreement, shall be subject to Alternative Dispute Resolution (Binding Arbitration, Mediation or Reference) as set forth in Exhibit C which is attached hereto.<sup>3</sup>

LBC _____	BBC _____
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14. **Attorneys' Fees.** In the event either party commences any form of legal action (which shall include arbitration, mediation and reference, where applicable) against the other party arising from or related to this Agreement, the

<sup>3</sup> This allows the brokers to either use ADR procedures or default by not initialing to using the court system. Disputes under this type of agreement are often most economically resolved by an up-to-date ADR agreement (e.g., reference, binding arbitration or mediation).

prevailing party in such action shall be entitled to reasonable attorneys' fees from the non-prevailing party as determined by an arbitrator, referee or a court of competent jurisdiction (whichever is applicable).

15. **Severability.** If any term or provision of this Agreement is held by a court of competent jurisdiction, arbitrator or referee in a reference to be invalid, unenforceable, illegal or void, the remaining provisions of this Agreement shall nevertheless remain in full force and effect.

16. **Notices.** All notices required or permitted to be given under the terms of this Agreement shall be in writing and shall be deemed delivered on the same date if by personal delivery, or twenty-four (24) hours after deposit with a nationally recognized overnight courier service, or three (3) days after deposit in the United States Postal Service, certified or registered mail, return receipt requested, postage prepaid and addressed to the party at the address set forth below. Either party may change his, her or its address by delivering written notice to the other party pursuant to the terms of this Paragraph 16.

17. **Agreement Non-Assignable.** This Agreement is not assignable by BBC except with the express written consent of LBC.

18. **Incorporation of Recitals.** The recitals set forth above are incorporated as if fully restated in this Agreement.

19. **Rules of Construction.** As this Agreement has been negotiated by the parties hereto, the language of this Agreement shall be construed as a whole according to its fair meaning, and not strictly for or against any party even if that party drafted the Agreement. The word "include(s)" means "include(s), without limitation," and the word "including" means "including, but not limited to."

**IN WITNESS WHEREOF,** the parties have executed this Agreement as of the date first set forth above.

LBC:

LENDER'S BROKER CORP.

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

Lin D. Broker

Its: \_\_\_\_\_ [Capacity]

[Address]

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

Facsimile: \_\_\_\_\_

E-mail: \_\_\_\_\_

**BBC:**

**BORROWER'S BROKER CORP.**

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

Its: \_\_\_\_\_ [Capacity]  
[Address]

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

Facsimile: \_\_\_\_\_

E-mail: \_\_\_\_\_

**EXHIBIT A**  
**BORROWER AGENCY CONFIRMATION**

A "Mortgage Broker" is person who possesses a real estate broker's license issued by the California Department of Real Estate ("Broker's License") who uses his/her/its license to make loans to Borrower or to arrange loans between lenders and borrowers. A Mortgage Broker, either acting directly or through one or more associate licensees, can legally be the agent of both the Borrower and the Lender in a loan transaction, but only with the knowledge and consent of both the Borrower and the Lender.

A Mortgage Broker may represent only the Borrower, only the Lender or both the Borrower and Lender. The nature and scope of the Mortgage Brokers' duties to the Borrower may depend upon whether he/she/it is acting as Borrower's agent (exclusively or as a dual agent) or as the Lender's agent (exclusively or as a dual agent). A Mortgage Broker acting as the Borrower's agent will have a fiduciary duty of utmost care, integrity, honesty, and loyalty ("Fiduciary Duties") in dealings with the Borrower and other duties to the Lender, including a duty of honest and fair dealing and good faith. A Mortgage Broker acting only as agent of the Lender will owe Fiduciary Duties in dealings with the Lender and other duties to the Borrower, including a duty of honest and fair dealing and good faith.

The Lender and the Mortgage Broker for the Lender may require, as a condition of making or arranging a loan to you, as the Borrower, that in the proposed loan transaction, the Borrower and Lender each be represented exclusively by their own separate Mortgage Broker and that you confirm the nature of the agency relationship as set forth below:

\_\_\_\_\_ [Borrower's Broker] is the agent of (check only one):

- the Borrower exclusively; or
- both the Borrower and the Lender.

\_\_\_\_\_ [Lender's Broker] is the agent of (check only one):

- the Lender exclusively; or
- both the Borrower and the Lender.

Neither the fact that you pay a commission, fees and costs to the Lender or to the Lender's Mortgage Broker nor the fact that Lender's Mortgage Broker may share the commission with your Mortgage Broker and reimburse or pay your Mortgage Broker for part or all of such fees and costs, necessarily makes the Lender's Mortgage Broker your agent.

The undersigned Borrower understands and agrees that the agency relationships will remain as set forth above unless the Lender, Borrower and the Mortgage Brokers agree in writing to a change of agency relationship, in which case the Borrower will be asked to execute an amended or new agency confirmation.

Date: \_\_\_\_\_ 20\_\_

\_\_\_\_\_  
Borrower

Date: \_\_\_\_\_ 20\_\_

\_\_\_\_\_  
Borrower

## EXHIBIT B

### RESPA Compensation Representation and Declaration

One "RESPA Compensation Representation and Declaration" (Exhibit B) shall be completed by each Broker to receive compensation from the loan:

1. Name of Borrower's Broker: \_\_\_\_\_.
2. Other Broker (i.e., each person with whom compensation is being shared):  
\_\_\_\_\_.
3. Each person named above must complete a separate Exhibit B.
4. Name of person completing this Exhibit B: \_\_\_\_\_.

I represent, warrant and declare that the services provided, as checked below, are not duplicative of the above Broker's or any other compensated broker's services.

- (a) Taking information from the borrower and filling out the application;
- (b) Analyzing the prospective borrower's income and debt and prequalifying the prospective borrower to determine the maximum mortgage that the prospective borrower can afford;
- (c) Educating the prospective borrower in the home buying and financing process, advising the borrower about the different types of loan products available, and demonstrating how closing costs and monthly payments could vary under each product;
- (d) Collecting financial information (tax returns, bank statements) and other related documents that are part of the application process;
- (e) Initiating/ordering VOEs (verifications of employment) and VODs (verifications of deposit);
- (f) Initiating/ordering requests for mortgage and other loan verifications;
- (g) Initiating/ordering appraisals;
- (h) Initiating/ordering inspections or engineering reports;
- (i) Providing disclosures (truth in lending, good faith estimate, others) to the borrower;
- (j) Assisting the borrower in understanding and clearing credit problems;
- (k) Maintaining regular contact with the borrower, real estate licensees, lender, between application and closing to apprise them of the status of the application and gather any additional information as needed;
- (l) Ordering legal documents;

/\_\_\_/ (m) Determining whether the property is located in a flood zone or ordering such service; and

/\_\_\_/ (n) Participating in the loan closing;

/\_\_\_/ (o) Operation of a computer loan origination system (CLO);

/\_\_\_/ (p) Operation of an automated underwriting system (AUS);

/\_\_\_/ (q) Other services provided (describe): \_\_\_\_\_

\_\_\_\_\_

**Note:** Each person receiving compensation must provide at least the services listed under (a) above and five (5) additional services listed in (b) through (q) above.

**EXHIBIT C**  
**(ADR Agreement)**