



Flanagan State Bank Application Checklist for App+5 Channel

- Application (**included in this package**)
- Mortgage Services Agreement & Broker Contract (**included in this package**)
- Board Resolution (**included in this package, please choose the one best suited to your business profile**)
- Application packet completed
- Resume of Experience on main contact



Wholesale/Correspondent Application

Account Executive: Toni Pierce Justin Yahmig Robert Anderson Josh Heinrich Other: _____

CLIENT INFORMATION

Full Business Name:		DBA:		
Company NMLS:		MERS ID:	<input type="checkbox"/> Not Applicable	
Address:				
City:		State:	Zip:	
Office Phone Number:		Email Address:		
Primary Contact:		Primary Contact Email:		
Type of Ownership: <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> LLC				
Agency Approval & ID's: <input type="checkbox"/> FNMA <input type="checkbox"/> FHLMC <input type="checkbox"/> FHA ID: <input type="checkbox"/> VA ID:				
Tax ID Number:		Time Zone: <input type="checkbox"/> EST <input type="checkbox"/> CST <input type="checkbox"/> MST <input type="checkbox"/> PST		
Date of Incorporation:		Fiscal Year End:	States HUD Approved:	
States Where Licensed to Do Business:				
Do you have a Warehouse Line of Credit: <input type="checkbox"/> Yes <input type="checkbox"/> No		Who is the Company:		
Line of Credit Amount:				
Number of Branches:		Locations:		
Main Branch:				
Parent Company (If Applicable)				
Company Name:				
Address:				
City/State/Zip				
Company's Primary Business:				
Principal Owners/Officers				
Name	Title	% Ownership	Years of Ownership	Date of Birth
Product Volume				
Past Year 20____	FHA Volume	# Units	Average Loan Size	
	VA Volume	# Units	Average Loan Size	
	USDA Volume	# Units	Average Loan Size	
	Conventional Volume	# Units	Average Loan Size	

References			
Wholesale Lender Name	Contact	Email Address	How many years signed up?

Company Declarations	
<input type="checkbox"/> Yes <input type="checkbox"/> No	Has your Company ever been denied, suspended or terminated to do business with any Investor and/or MI company?
<input type="checkbox"/> Yes <input type="checkbox"/> No	Has any officer of your Company been involved in a lawsuit pertaining to the obligation, sale or servicing of mortgage loans in the last five years?
<input type="checkbox"/> Yes <input type="checkbox"/> No	Has any officer or employee of your company ever been listed on any agency exclusionary list?
<input type="checkbox"/> Yes <input type="checkbox"/> No	Does your Company have an affiliated relationship with any settlement service or other real estate company?

If you answered yes to any question, please provide detailed information. If needed, attach a separate sheet.

Per FHA Guidelines, we have requested Flanagan State Bank add us as a sponsored lender or an approved third-party originator. By signing the application below, we certify that all loan officers and key personnel are paid on a W-2 basis and work only for _____(company name).

Our company is applying for the following:
 Correspondent Channel for these programs: USDA Conventional VA FHA
 Broker/Wholesale Channel for these programs: USDA Conventional VA FHA

This application will allow for a mix of Correspondent and Brokered files. Please advise based on your companies' parameters.

I certify that the information contained in this application is considered true and accurate to the best of my knowledge. I have the authority to complete the information on behalf of the company.

Signed by: _____ Date: _____

Printed Name: _____ Title: _____



MORTGAGE ORIGATION SERVICES AGREEMENT

THIS MORTGAGE ORIGATION SERVICES AGREEMENT (the "Agreement") is entered into between - _____ ("Service Provider") and Flanagan State Bank ("Lender") to be effective this ____ day of _____ 20__.

WHEREAS, Service Provider warrants that it is a duly organized and validly existing entity and that it is in good standing under applicable laws and regulations of the United States of America and the state(s) in which it conducts business; and

WHEREAS, Service Provider has the requisite corporate authority and capacity to enter into this Agreement and that compliance with the terms and conditions of this Agreement will not violate any provisions of Service Provider's charter or bylaws, any instrument relating to the conduct of its business, or any other agreement to which it may be a party; and

WHEREAS, Service Provider develops prospects for mortgage loans and wishes to send to Lender some of its prospects so that Lender can evaluate whether to extend credit to such prospects; and

WHEREAS, Service Provider will promote Lender's loan program, as it deems appropriate, and will provide personnel and space to take applications and forward the same to Lender; and

WHEREAS, Lender will consider extending credit to prospects sent by Service Provider as provided for in this Agreement.

THEREFORE, IT IS HEREBY AGREED between Service Provider and Lender, in consideration of the aforementioned premises and the following mutual obligations and covenants as provided hereinafter, as follows:

1. **Service Provider's Services:** Service Provider will take information from the prospect, fill out the application for each prospect and complete five (5) or more of the listed items:
 - a. Analyzing the prospect's income and debt and pre-qualifying the prospect to determine the maximum mortgage that the prospect can afford.
 - b. Educating the prospect in the home buying and financing process, advising the prospect about the different types of loan products available, and demonstrating how closing costs and monthly payments could vary under each product.
 - c. Collecting financial information (tax returns, bank statements, etc.) and other related documents that are part of the application process.
 - d. Initiating / ordering VOEs (verifications of employment) and VODs (verifications of deposits).
 - e. Initiating / ordering requests for mortgage and other loan verifications.
 - f. Initiating / ordering appraisals.
 - g. Initiating / ordering inspections or engineering reports.
 - h. Providing disclosures (Loan Estimate, Application Disclosures, etc.) to prospect.
 - i. Assisting the prospect in understanding and clearing credit problems.
 - j. Maintaining regular contact with the prospect, realtors, Lender, between application and closing to apprise them of the status of the application and gather any additional information as needed.
 - k. Ordering legal documents.
 - l. Determining whether the property is located in a flood zone or ordering such service.

- m. Participating in the loan closing.

2. **Lender's Services.**

- a. Performing mortgage origination services from Section 1 not performed by Service Provider, and other loan application processing services.
- b. Approving or declining any loan application submitted or modifying the amount or terms requested.
- c. Reviewing said package with reasonable promptness and advising Service Provider of its approval, disapproval or such additional information it needs to make a decision.
- d. Arranging for the closing and funding of the loan, if approved, and the recording of loan documents.
- e. Recording the loan application and action taken on the Home Mortgage Disclosure Act Loan Application Register.

3. **Compensation.** For services rendered by Service Provider to a prospect and Lender in accordance with Section 1.0, Lender shall pay to Service Provider a fee of 100 bps or max of \$5,000 on each loan for which Service Provider provides services which subsequently closes. Service Provider shall not charge any fee to a prospect or collect any other discount or origination points from a prospect. Lender will not charge a fee that duplicates the Service Provider's fee. Service Provider must comply with all applicable laws and regulations with respect to any fees charged and collected by Service Provider, and Service Provider shall not charge or collect any fee that is not reflected on the loan closing settlement sheet. The parties agree that all compensation paid pursuant to this Agreement is and shall continue to be in relation to the reasonable value of the services actually performed in the relevant marketplace. In the event that Service Provider owes any amount to Lender hereunder or under any other agreement, understanding or arrangement between Service Provider and Lender, then Lender shall have the right, without notice, to deduct any and all of such amounts from amounts that otherwise would be payable hereunder by Lender to Service Provider.
4. **Term.** This Agreement shall have an indefinite term, which may be terminated by either party, which termination shall be effective upon thirty (30) days' written notice from either party. Upon the fax or delivery of any such termination notice, it is agreed that no new loans or transactions shall be undertaken by the parties working together. However, it is further agreed that all loans or transactions in progress shall be completed, even if the time to do so extends beyond thirty (30) days, unless other arrangements are made to complete the work, to the mutual satisfaction of both parties. In the event Service Provider is in breach of its obligations under this Agreement, Lender may choose not to accept loans which it has not already funded.
5. **Service Provider's Representations and Warranties.** Service Provider is properly qualified to do business and licensed in all jurisdictions where such qualification and licensing are required, and Service Provider has complied, and at all times relevant to this Agreement shall comply, with all applicable federal, state and local laws and regulations, including, without limitation, ECOA, RESPA, SAFE, and other fair-lending laws and regulations. In addition, the Seller/Broker will also comply with and perform Customer Identification Program requirements (CIP). Each loan application package must be originated in accordance with and satisfy the requirements of (i) all applicable federal, state and local laws, regulations and rules, (ii) any and all underwriting standards, loan product descriptions, policies, procedures, guidelines, memoranda and other requirements issued by Lender from time to time, and (iii) this Agreement. Pursuant to applicable federal and state law, Service Provider shall fully disclose all Service Provider compensation received for services rendered to a prospect and Lender. Where required by applicable federal or state law, Service Provider shall provide Lender with a copy of a written agreement signed by the prospect setting forth the terms of the relationship including all services rendered in connection with the loan transaction and all compensation received by the

Service Provider as more fully described in Section 3. All forms used and all actions taken by Service Provider shall comply with applicable federal, state and local laws and regulations. Service Provider shall not make any representations to any person as to Lender's actions or intentions without Lender's express written consent. All documents submitted by Service Provider shall be accurate and complete, and all signatures shall be genuine. No fraud has been or shall be committed, nor has any misrepresentation been or shall be made, by any person or entity including, without limitation, Service Provider and the prospect, in connection with the application, execution or submission of any loan application package. All of Service Provider's representations, warranties, and covenants shall be true and correct and deemed made on the date hereof and on each day on which Service Provider sends a prospect to Lender or submits a loan application package through and including the day on which the related loan closes.

6. Additional Requirements.

- a. Concurrent with the delivery of a loan application package to Lender hereunder, Service Provider shall be deemed to have assigned, and hereby does assign, all of its rights, title and interest in and to such loan application package to Lender.
- b. The decision to reject a loan application package or to approve a loan in connection with a loan application package shall be made by Lender in its sole discretion. Service Provider has no authority to, and shall not, make any commitment or agreement on behalf of Lender with any prospect or other third party, or make any representation to any prospect or other third party on behalf of Lender, other than as may be expressly authorized in writing by Lender. Without limiting the foregoing, Service Provider shall not (i) represent to a prospect that Lender will approve a loan application or make any particular determination with respect to a loan application, (ii) represent to a prospect that Lender has made a particular determination with regard to the loan application when Lender has not done so, or make a representation to a prospect that is inconsistent with Lender's determination regarding the loan application, or (iii) represent to a prospect that an interest rate has been locked-in with Lender unless Lender has issued a written lock-in confirmation, or make any representation to a prospect that is inconsistent with any lock-in confirmation issued by Lender.
- c. With respect to any loan made by Lender in connection with a loan application package delivered by Service Provider to Lender hereunder, Service Provider shall not solicit the borrower(s) for a refinance of the mortgage loan within 180 days of origination. Lender will not solicit the borrower for any purpose, including the refinancing of such loan.
- d. At or before execution of this Agreement and within ninety (90) days after the close of each fiscal year during the term of this Agreement, Service Provider shall provide Lender with copies of Service Provider's financial statements. At the time of execution of this Agreement and on each anniversary of the execution date hereof, Service Provider shall deliver to Lender copies of all mortgage origination-related licenses, exemptions, registrations and permits. Lender also may request copies of said licenses at any time during this Agreement. At the time of execution of this Agreement, Service Provider shall deliver to Lender a resolution indicating that the individual(s) executing this Agreement are fully authorized by its managing body to execute and deliver this Agreement on behalf of Service Provider and designating the individuals who are authorized to bind Service Provider for all loan application packages submitted by Service Provider hereunder. Service Provider shall permit Lender and its authorized representatives to examine all books first receiving reasonable notice from Lender, observe Service Provider's facilities and business bureau and other reports and conducting reference checks, and to share information with others about its experiences with Service Provider.

7. **Miscellaneous.** Service Provider is an independent contractor and not an employee of Lender. If Lender determines that Service Provider's application package is incomplete, or if Lender turns down an application package, Lender may, as its option, provide to Service Provider the information necessary for Service Provider to provide a third-party ECOA adverse action notice to the former prospect. Service Provider shall send such notice in compliance with all applicable laws and regulations. Lender shall have the right to take reasonable steps to ensure Service Provider's compliance with this provision. This Agreement shall be non-exclusive, and

Lender may accept prospects from other sources, and Service Provider may send prospects to other lenders. No compensation shall be payable to Service Provider except when Service Provider submits a prospect to Lender for a specific loan and the prospect closes such loan with Lender. Further, no compensation shall be payable to Service Provider in connection with any subsequent refinance of the initial loan. Service Provider shall indemnify, defend and hold Lender harmless from and against any losses, liabilities and claims, including attorneys' fees incurred by or assessed against Lender by reason of Service Provider's breach or alleged breach of any provision of this Agreement. Lender shall have the right to engage legal counsel to represent the interests of Lender if any third-party claim falling within the scope of this indemnity is asserted, and Service Provider shall reimburse Lender for all fees and costs of such legal counsel. Service Provider's indemnity obligations shall be fully applicable regardless of whether Lender has underwritten or approved the related loan and regardless of the contents of the loan application package. This indemnity shall survive the term of this Agreement. Lender shall indemnify, defend and hold Service Provider harmless from and against any losses, liabilities and claims, including attorney's fee incurred by or assessed against Service Provider by reason of Lender's breach or alleged breach of any provision of the Agreement. Service Provider shall have the right to engage legal counsel to represent the interests of Service Provider if any third-party claim falling within the scope of this indemnity is asserted, and Lender shall reimburse Service Provider for all fees and costs of such legal counsel. This indemnity shall survive the term of this Agreement. The parties agree that this Agreement shall be governed by the laws of the State of Illinois. This Agreement is the entire agreement between the parties and may be modified only in writing signed by the parties.

Service Provider recognizes the time, effort and expense incurred by Lender in the training and education of its employees and agrees, as additional consideration to Lender, that during the term of this Agreement, not to hire any employees of Lender for a period of one (1) year after termination of the respective employee's employment for any employment which provides direct or supervisory duties concerning the application, servicing and sale of mortgage loans. This restriction shall also apply to any entity which Service Provider has an ownership or management interest. If Service Provider wishes to directly employ an employee of Lender, it shall contact Lender, and Lender and Service Provider shall discuss whether acceptable terms can be reached under which Lender will waive its rights under this provision.

8. **Confidentiality.** Service Provider acknowledges that certain items and types of confidential and proprietary information (collectively, the "Proprietary Information"), including without limitation this Agreement, the pricing terms, the trade and service marks of Lender, the forms, disclosures and other documents provided to Service Provider in connection with this Agreement, and all non-public personal information of each prospect, are owned and controlled by Lender and constitute valuable assets and trade secrets of Lender. Service Provider shall not sell, lease, assign, license, utilize, distribute, publish or duplicate all or any part of the Proprietary Information, whether received in writing or orally, without obtaining Lender's prior written consent. Service Provider agrees not to disclose any part of the Proprietary Information to any person or entity except to directors, officers and employees of Service Provider who are required to have knowledge of such information in the course of Service Provider's exercise of its rights and obligations under this Agreement. Service Provider agrees to cooperate with Lender in enforcing the provisions of this section against any unauthorized use or disclosure of the Proprietary Information by present or former directors, officers or employees of Service Provider or by others. Upon termination of this Agreement for any reason, Service Provider agrees promptly to return to Lender all of the Proprietary Information provided to Service Provider, to refrain from disclosing any of the Proprietary Information to any persons, and to take all necessary steps to discontinue immediately its use of the Proprietary Information. Service Provider agrees to comply with the privacy and safeguarding requirements of the federal Gramm-Leach-Bliley Act (15 USC § 6801 *et seq.*) and all other applicable regulations and guidelines with regard to information that is subject to such act, regulations and guidelines. The obligations of Service Provider under this section shall survive the termination of this Agreement.
9. **Notices.** All notices required or given with regard to the provisions of this Agreement shall be in writing and faxed or delivered to the parties hereto at the following addresses by hand delivery, overnight courier or certified mail return receipt requested.

Title:
Name:
Company:
Address:
Address:
Phone:

Flanagan State Bank
333 Chicago Road
PO Box 302
Paw Paw, IL 61353

10. Binding Effect. The provisions of this Agreement shall be binding upon and inure to the benefit of Service Provider and Lender and their respective successors and assigns.

11. Complete Agreement. This instrument represents the complete agreement of the parties hereto as to the matters addressed herein. Neither party has been influenced to enter into this Agreement in reliance upon any statements or representations, oral or written, by either party, or by any other person or entity not otherwise expressly set forth herein.

Service Provider, Inc.

By: _____ Date: _____

Its: *President*

Flanagan State Bank

By: _____ Date: _____

Robert Anderson

Its: *Senior Vice President*



Broker/Wholesale & Seller/Correspondent Agreement

This Broker/Wholesale & Seller/Correspondent Agreement ("this Agreement") is made this ___day of _____, 20___ between _____, with a principal place of business at _____ ("Seller/Broker") and Flanagan State Bank, an Illinois state banking association with a principal place of business at 301 W. Falcon Hwy, Flanagan, IL, 61740 ("Buyer/Lender").

Broker/Wholesale will be referenced as Broker through the contract. Broker is considered a channel of business that allows the loan to close in the name of the Lender with the Broker acting on behalf of the borrower in negotiating mortgage terms and originating the loan for the purpose of earning a fee.

Seller/Correspondent will be referenced as Seller through the contract. Seller is considered a Correspondent Channel of business that allows loans to close in the Sellers company name. The Seller will sell the loan to Lender and perform the origination duties that include negotiating mortgage terms on behalf of their borrower.

For the purposes of this contract, the applicant may enter into both a Broker or Seller agreement. Each section will apply as referenced for Seller/Broker.

Buyer/Lender will refer to Flanagan State Bank. If the Correspondent/Seller will be referenced, the term Buyer will apply to Flanagan State Bank. If the Broker designation will be applicable, the term Lender will apply to Flanagan State Bank.

Whereas, Seller/Broker is an institution engaged in the business of making loans to individual borrowers (each obligation and all documents evidencing, securing, and in any way related to the origination of such obligation is hereinafter referred to as a "Loan" and collectively as "Loans") and evidencing and securing the repayment of these obligations with promissory notes (each a "Note") and deeds of trust, mortgages, or other security instruments (each a "Mortgage") upon improved real estate ("the Mortgage Property"); and

Whereas, Seller/Broker wishes to originate certain loans for Buyer/ Lender to fund in accordance with the provisions of this Agreement.

Now, therefore, in consideration of the mutual promises, covenants, and undertakings provided hereinafter, Seller/Broker and Buyer/Lender agree as follows:



SECTION 1. FUNDING OF MORTGAGE LOANS

Subject to the terms of this Agreement, Seller shall sell to Buyer/Lender and Broker shall deliver to Buyer/Lender to fund Loans originated by Seller/Broker pursuant to the terms and conditions of Buyer/Lender's residential lending requirements. Seller/Broker shall comply with all loan registration, approval, closing, and delivery procedures required by Buyer/ Lender.

SECTION 2. REGISTRATION OF LOANS

Each application for a Loan shall be registered with Buyer/Lender prior to its submission for funding in accordance with Buyer/Lender's required procedures.

SECTION 3. INTEREST AND LOAN TERM

The rate of interest and term for each Loan shall be established by Buyer/Lender or anticipated at the time of registration or thereafter pursuant to Buyer/Lender's requirements.

SECTION 4. LOAN APPROVAL

Each application for a Loan to be submitted for funding by Seller/Broker must have been approved by Buyer/Lender prior to the funding date in accordance with Buyer/Lender's required procedures. It is understood by Seller/Broker and Buyer/Lender that the Loan approval rights of Buyer/Lender run between Seller/Broker and Buyer/Lender, and Seller/Broker shall not represent to any party that Seller/Broker is the agent of Buyer/Lender for any purpose, and in particular for Loan approval purposes.

SECTION 5. BEST EFFORTS DELIVERY

Seller/Broker shall use its best efforts to close and deliver on each Loan that has a commitment or rate lock. If a Loan with a commitment or rate lock closes, Seller/Broker must deliver the Loan. If Seller/Broker does not deliver a closed Loan upon which Buyer/Lender has issued a commitment or rate lock, Buyer/Lender may require Seller/Broker to pay any and all losses, expenses, and damages incurred by Buyer/Lender as a result of non-delivery of the Loan under the terms committed in the rate lock.

SECTION 6. PURCHASE PRICE AND FEES

The premium price for each Loan shall be determined by the daily pricing sheet. Fees shall be determined by Buyer/ Lender and may be re-established from time to time.

SECTION 7. RELEASE OF SERVICING



Each Loan shall be funded by Buyer/Lender on a "servicing released" basis, meaning that Seller/Broker shall release, transfer, and assign in a form and manner acceptable to Buyer/Lender all of Seller/Broker's rights, title, and interest in and to the Loan, including without limitation any right to provide mortgage servicing in connection therewith. Seller/Broker shall provide notice to borrowers of the transfer of a Loan in form and manner acceptable to Buyer/Lender and in compliance with all applicable regulations.

SECTION 8. GENERAL WARRANTIES AND REPRESENTATIONS BY SELLER/BROKER

To induce Buyer/Lender to enter into this Agreement, Seller/Broker represents and warrants to Buyer/Lender, at the time of execution of this Agreement and at the time of delivery of each Loan, as follows:

1. Seller/Broker is a corporation or organization duly organized, validly existing, and in good standing under the laws of the state in which it is incorporated and has all licenses necessary to carry on its business as now being conducted, and is licensed, qualified, and in good standing in the state where the Mortgage Property is located. If the state laws of such state require licensing or qualifications for the conduct of business of the type conducted by it, Seller/Broker has the corporate power and authority to execute, deliver, and perform this Agreement (including all instruments of transfer to be delivered pursuant to this Agreement) and the consummation of the transactions contemplated hereby have been duly and validly authorized. This Agreement evidences the valid, binding, and enforceable obligations of Seller/Broker.
2. No approval of the transactions contemplated by this Agreement from any regulatory authority having jurisdiction over Seller/Broker or any other person is required or, if required, such approval has been or will be obtained.
3. The transfers, assignments, and conveyances herein are not subject to the bulk transfer or any similar statutory provisions in effect in any applicable jurisdiction. The consummation of the transactions contemplated by this Agreement are in the ordinary course of Seller/Broker's business and will not conflict with or constitute a default under any obligation, agreement, indenture, or loan or credit agreement or other instrument to which Seller/Broker is subject.
4. There are no actions, suits, or proceedings pending or, to the best of Seller/Broker's knowledge, threatened against Seller/Broker in any court or before any administrative agency, the adverse outcome of which would have any material effect on Seller/Broker's financial condition or Seller/Broker's title to the Loans.
5. Seller/Broker shall immediately notify Buyer/Lender of any substantial change in the management or ownership of Seller/Broker. Seller/Broker shall immediately notify Buyer/Lender of any substantial change in Seller/Broker's financial condition.



6. Seller/Broker has never been disqualified, excluded, or suspended from being able to originate loans intended to be guaranteed or insured by HUD, the VA, or any other governmental agency.
7. Seller/Broker has not in connection with this Agreement entered into any agreement, incurred any obligation, made any commitment, or taken any action that might result in a claim for or an obligation to pay a sales or origination commission, finder's fee, or similar fee or compensation with respect to this Agreement or the transactions contemplated hereby.
8. Seller/Broker shall cooperate with Buyer/Lender in furnishing of documents and information as requested from time to time by Buyer/Lender and shall comply with all procedures established by Buyer/Lender for closing Loans pursuant to this Agreement.
9. All Loans submitted to Buyer/Lender by Seller/Broker conform to all applicable requirements of this Agreement. Each Loan was originated, registered, approved, and delivered to Buyer/Lender in accordance with the procedures set forth in this Agreement.
10. Seller/Broker is the sole originator of each Loan, and Seller/Broker has the authority to sell, transfer, and assign such Loan on the terms herein set forth. Seller/Broker has not assigned, sold, or pledged any Loan and, as of the date of funding by Buyer/Lender, the Loan will be free and clear of claims or encumbrances of any type.
11. A title insurance commitment and title insurance policy on currently prescribed American Land Title Association (ALTA) forms or such other form approved in writing by Buyer/Lender and acceptable to Fannie Mae or Freddie Mac will be furnished to Buyer/Lender and will insure Buyer/Lender and its successors and/or assigns, without exception, as holding the first lien against the Mortgage Property for the full amount of the Loan.
12. There is in force for each Loan a hazard insurance policy meeting Buyer/Lender's requirement. There is in force such flood insurance policy as is required under the Flood Disaster Protection Act of 1973, as amended, and its implementing regulations. Broker shall make Buyer/Lender the loss payee on each title policy, mortgage insurance policy, hazard insurance policy, and flood insurance policy. Seller shall make their company the loss payee on each title policy, mortgage insurance policy, hazard insurance policy, and flood insurance policy. All policies are to include the ISAOA (it's successor's and/or assigns) to allow for the purchase of loans by the buyer/lender or future investors.
13. Seller/Broker has complied with all applicable federal and state laws and regulations related to the making of each Loan, including but not limited to: (i) the Federal Truth in Lending Act of 1969 ("TILA") and Federal Reserve Regulation Z hereunder; (ii) the Federal Equal



Credit Opportunity Act ("ECOA") and Federal Reserve Regulation B hereunder, (iii) the Federal Fair Credit Reporting Act; (iv) the Federal Real Estate Settlement Procedures Act of 1974 ("RESPA") and Regulation X hereunder, (v) the Flood Disaster Protection Act of 1973, (vi) the Fair Housing Act, (vii) the Home Mortgage Disclosure Act, (viii) the Financial Institutions Reform Recovery and Enforcement Act of 1989, (ix), USA Patriot ACT of 2001 any and all licensing requirements relating to Seller/Broker's rights to originate and sell the Loans, (x) the requirements of any agency that regulates Seller/Broker, (xi) any and all laws, rules, ordinances, and regulations relating to adjustable rate mortgages, negative amortization, and graduated payment mortgages. Seller/Broker shall maintain in its possession, available for inspection by Buyer/Lender, evidence of compliance with all such requirements. In addition, the Seller/Broker will also comply with and perform Customer Identification Program requirements (CIP).

14. Seller/Broker understands Buyer/Lender intends to sell the Loans to investors in the secondary market. Seller/Broker represents, covenants, and warrants that in submitting Loans to Buyer/Lender it is in full compliance with all pertinent requirements of Fannie Mae, Freddie Mac, FHA, and VA. In the event that a Loan is returned to Buyer/Lender because of an investor's unwillingness to purchase the Loan because of non-compliance with disclosures, loan estimate or other regulation under RESPA, TRID or future changes not yet noted, Buyer/Lender will require Seller/Broker to repurchase the Loan within 10 days of being notified by Buyer/Lender. Buyer/Lender reserves the right to retain servicing on any Loans funded by Buyer/Lender.
15. Seller/Broker has no knowledge of any circumstances or conditions with respect to the Mortgage, the Mortgage Property, the mortgagor, or the mortgagor's credit standing that can be reasonably expected to cause private institutional investors to regard the Mortgage as an unacceptable investment, cause the Loan to become delinquent, or adversely affect the value or marketability of the Loan.
16. All Loan documents prepared by Seller/Broker are genuine, accurate, and complete and meet the requirements and specifications established by Fannie Mae, Freddie Mac, HUD, USDA or VA and product descriptions and underwriting guidelines listed in the Desktop Underwriter (DU), Loan Prospector (LP) and the Guaranteed Underwriting System (GUS) underwriting guides. Buyer/Lender will prepare Initial/Early Disclosures based on the information provided by Seller/Broker, but only when instructed to do so by the submission of an Initial Disclosure form by Seller/Broker. Seller/Broker is responsible for ensuring that all figures in disclosures prepared by Buyer/Lender are correct and that all forms are signed in a timely manner to meet RESPA and TRID guidelines for disclosure. Buyer/Lender will prepare re-disclosures only if Buyer/Lender prepared the Initial Disclosures or if the Loan is for a brokered file that will be closed in Buyer/Lender's name. Seller/Broker is responsible for the content contained in the re-disclosure and must supply a Change of Circumstance form when terms of the Loan change. When a Loan is locked with Buyer/Lender or extended, Buyer/Lender will complete the re-disclosure with an



email notification from Seller/Broker to confirm the file has been locked or extended. Beyond basic rate locks and extensions, any changes directed by Seller/Broker when Seller/Broker is a correspondent and when Buyer/Lender is preparing the re-disclosure must have a Change of Circumstance form submitted. Brokered files will be prepared in the same manner. Any changes other than rate lock or rate extension will require a Change of Circumstance form to be submitted. Correspondents will be responsible for the delivery of the re-disclosures and signatures, as needed. If any investor or agency does not find a disclosure to be acceptable, Buyer/Lender will notify Seller/Broker of the discrepancy and ask for resolution to the problem presented.

17. Broker warrants that total points and revenue fees, including any yield spread premium paid by Lender, shall be less than or equal to 3% of the Loan amount. Fees for bona fide loan services that are passed through a non-affiliated third party may be excluded from this 3% limitation. Lender shall not be required to fund any Loan that, in Lender's sole discretion, has exceeded this 3% limitation.

Seller warrants that fees charged will pass the QM Points & Fees test. If the loan will not pass QM Points & Fees test the Buyer/Lender will not purchase the loan.

18. Seller/Broker shall be responsible for the information used to register a Loan, which information is used to lock and price the Loan. If the information is entered incorrectly or not updated to recent information, as it is known, then the pricing could be erroneous and cause inaccurate rate quotes. Buyer/Lender is not responsible for errors in the registration screen. If Seller/Broker is working through Buyer/Lender's Assisted Correspondent Team, the submission form will identify the information that is needed for an accurate registration. If information changes and the Assisted Correspondent Team is not notified of the changes, Seller/Broker shall be responsible for any rate changes that occur. Buyer/Lender shall assist Seller/Broker with registration of the Loan only if Seller/Broker has an Assisted Correspondent relationship with Buyer/Lender. Seller/Broker must lock Loans using the Lock Screen function. All extensions are to be completed using the Lock Extension screen. Any expired locks must email the lock desk for assistance with extensions. Buyer/Lender encourages the use of Mortgagebot to lock all Loans. The Assisted Correspondent Team is available for assistance and will re-disclose upon receiving an email from Seller/Broker that a Loan has been locked, if Seller/Broker notifies Buyer/Lender by email in a timely manner.
19. Seller/Broker warrants that each Loan funded by Buyer/Lender is not a "high cost loan" or "predatory loan" as defined by the Home Ownership and Equity Protection Act of 1994, specifically Section 32 of Regulation A, or any other state law or municipal ordinance.
20. Seller shall be responsible for 1098 reporting and origination or discount points to the Internal Revenue Service for Loans originated by Seller under the terms of this Agreement.



21. Each of the above representations and warranties (i) applies to all Loans funded by Buyer/Lender, (ii) is for the benefit of Buyer/Lender and its successors and/or assigns, (iii) continues in full force and effect for so long as the Loan remains outstanding and for such time that Buyer/Lender is subject to any risk of loss or liability as to any Loan funded for Seller/Broker, and (iv) is in addition to any other specific representations and warranties contained elsewhere herein.
22. Seller/Broker will be responsible for the fees incurred on the loans including, but not limited to, credit report fees, appraisal fees, inspection fees, and title fees. Seller/Broker is responsible for insuring that all fees they incur during the processing of the loan are included in the closing or paid for if the loan is cancelled/withdrawn for any reason. Flanagan State Bank does not take any responsibility for any fees associated with the loan that were incurred by the Seller/Broker including the appraisal ordered through our Appraisal Department. The ordering of Appraisals through our Department is a courtesy feature to function as an AMC (Appraisal Management Company). The responsibility of the invoice will remain with the company/person who places the order for the appraisal inspection.

SECTION 9. INDEMNIFICATION

Seller/Broker agrees to indemnify, save, and hold harmless Buyer/Lender from all losses, expenses, damages, liabilities, causes of action, and costs, including attorney's fees, reasonably incurred by Buyer/Lender in connection with or as a result of (i) the failure of any instrument evidencing or securing any Loan to constitute a valid and binding obligation, (ii) the breach of any warranty, obligation, or provision contained in this Agreement, or (iii) any claim asserted under applicable deceptive trade practices and consumer protection acts based on the acts or conduct of Seller/Broker.

SECTION 10. DELIVERY

For Brokered Loans:

- (A) Buyer/Lender will fund all Loans from Seller/Broker on the disbursement date. Seller/Broker represents, covenants, and warrants that all Loans shall be closed by a title agency or settlement attorney. No officer, employee, or agent of Seller/Broker shall close any Loan funded by Buyer/Lender. Funds shall be sent by Buyer/Lender directly to the title agency or settlement attorney for disbursement
- (B) Buyer/Lender will agree to release funds for a closing only if (i) Seller/Broker has been issued a commitment indicating final approval of the loan application by Buyer/Lender, and (ii) the Loan has a valid lock-in with Buyer/Lender that has not expired.
- (C) Buyer/Lender will review closing packages for completeness and notify Seller/Broker of any deficiencies.



If the Loan is in unsalable condition, Seller/Broker must rectify deficiencies within five business days. If deficiencies are not rectified within this time, Buyer/Lender reserves the right to pass on market losses to Seller/Broker or require that Seller/Broker repurchase the loan. Other fees and market costs to Seller/Broker will be negotiated on a case-by-case basis but will in no instance be less than \$100.

For Correspondent Loans:

- (A) Loans will be purchased from the Correspondent Seller/Broker.
- (B) All Loans will close in the name of Seller/Broker. Funding will be completed by Seller/Broker.
- (C) All products available for Correspondent will include VA, Conventional, and USDA.
- (D) Seller/Broker will identify if it will prepare closing documents or if Buyer/Lender will prepare those documents.
- (E) Closed Loan packages will be delivered via electronic delivery or USPS within 5 days of the closing.
- (F) Seller/Broker shall within five business days of the closing, deliver to Seller/Broker the original note, the original allonge, and the original of any bailee letter.

SECTION 11. REPURCHASE OF LOANS

If any representation or warranty made by Seller/Broker in this Agreement proves to have been untrue or inaccurate in any material respect when made or if Seller/Broker breaches any provision of this Agreement that causes a Loan to be unsalable, Buyer/Lender at its option may (i) require Seller/Broker to repurchase the Loan from Buyer/Lender in the amount of principal balance of the Loan at date of repurchase, plus any accrued and unpaid interest, late charges, and any costs incurred by Buyer/Lender to affect said repurchase, including without limitation, all of Buyer/Lender's collection costs, court costs, and attorney's fees; further including, without limitation, all such costs and fees incurred as a result of Buyer/Lender's participation in any proceeding involving Seller/Broker under the Federal Bankruptcy Code, or (ii) offer Seller/Broker an opportunity to negotiate an administrative fee for the costs associated with foreclosure proceedings and losses accrued by Buyer/Lender in association with the default of a Loan.

Early Payoff All Buyer/Lender Products: If any Loan sold to Buyer/Lender is paid in full within 180 days of the disbursement date, Seller/Broker shall refund and return the full premium paid to Seller/Broker by Buyer/Lender.

Early Payment Default: If a borrower fails to make the first monthly payment within 30 days after such payment was due in the first 180 days, Buyer/Lender reserves the right to require Seller to repay to Buyer/Lender the premium that Buyer/Lender paid to Seller for the Loan, plus an administrative fee of \$2,500.



SECTION 12. FINANCIAL STATEMENTS AND CORPORATE RESOLUTIONS

Seller/Broker shall provide Buyer/Lender with Seller/Broker's most recently audited annual financial statement as soon as it is available but not later than 90 days after fiscal year-end. In addition, Seller/Broker shall provide immediately upon request other financial reports and information reasonably requested by Buyer/Lender from time to time. If requested by Buyer/Lender, Seller/Broker shall provide any applicable certificates of good standing in the jurisdiction where Seller/Broker is located or does business and a certificate of resolution authorizing and designating representatives or officers of Seller/Broker to transact the business contemplated by this Agreement with Buyer/Lender.

SECTION 13. INDEPENDENT CONTRACTORS

This Agreement shall not be deemed to constitute the parties hereto as partners or joint ventures, nor shall either party be deemed to designate the other party as its agent. Buyer/Lender does not assume any liability or incur any obligations of Seller/Broker by the execution of this Agreement. It is the intention of the parties that no part of the consideration to be paid for any Loan shall be considered a fee paid for the goodwill of Seller/Broker.

SECTION 14. SURVIVAL OF AGREEMENTS

All representations and warranties of Seller/Broker herein and all covenants and agreements herein shall continue and shall survive the closing and delivery of any Loan and the termination of this Agreement.

SECTION 15. SUCCESSORS AND ASSIGNS

All covenants and agreements herein contained by or on behalf of Seller/Broker shall bind its successors and permitted assigns and shall inure to the benefit of Buyer/Lender and its successors and assigns. Seller/Broker shall not assign its rights or obligations under this Agreement without Buyer/Lender's prior written consent, which Buyer/Lender may withhold in its sole discretion.

SECTION 16. WAIVERS/CUMULATIVE RIGHTS

No course or dealing on the part of either party, its officers, or employees, nor any failure or delay by either party with respect to exercising any right, power, or privilege under this Agreement shall operate as a waiver thereof. The parties hereto shall be entitled to all rights and remedies, which shall be cumulative,



SELLER/BROKER:

All notices, requests, and communications hereunder shall be in writing and sent by registered or certified mail to the appropriate address set forth above. Either party may, by proper written notice to the other party, change the address to which notices shall be sent.

SECTION 21. LOCATION OF MORTGAGE OF PROPERTY

The Loans shall be secured by property in the state where Seller/Broker is licensed.

SECTION 22. MODIFICATION OF AGREEMENT

This Agreement may be modified by written agreement only.

SECTION 23. CUSTOMER COMPLAINTS

In the situation that a complaint is received by Buyer/Lender regarding Seller/Broker, Buyer/Lender will hold to this policy:

- 1) Seller/Broker will be notified of the nature of the complaint and by whom it was made. The notification shall be made in writing to the owner/manager of the company.
- 2) Seller/Broker shall be responsible for addressing the complaint within a 24 - 48 hour time period.
- 3) Seller/Broker will respond to Buyer/Lender, in writing, with the details of the resolution of the complaint within 48 - 72 hours of the original notification

In Witness whereof, the parties have signed this Agreement as of the day and date first above written, thereby acknowledging their acceptance of the terms and conditions set forth herein.

Seller/Broker _____



By: _____

Its: _____

Flanagan State Bank:

By: _____

Robert Anderson, Vice President

LIMITED POWER OF ATTORNEY

Know all persons that be these presents, that the undersigned does make and constitute and appoint the Flanagan State Bank, its true and lawful attorney for it and in its name, place and stead, for its use and benefit, to execute, acknowledge, deliver and, as applicable, record escrow instructions, deeds, leases, assignments of leases, covenants, agreements and assignments of agreements, mortgages and assignments of mortgages, conveyances in trust, to secure indebtedness and other obligations, and assign the beneficial interest hereunder, subordinations of liens or encumbrances, bills or lading, receipts, evidences of debt, releases bonds, notes, bills, and requests to reconvey deeds of trust, partial or full judgements, satisfactions or mortgages, and other debts, and other written instruments of whatever kind and nature, all upon terms and conditions as said attorney shall approve; provided, however, that Flanagan State Bank shall act hereunder solely within its authority under, and in furtherance of purpose of, that certain Loan Purchase Agreement and that certain Processing Agreement, both dated_____.

SELLER:_____

BY:_____

ITS:_____

SIGNATURE:_____

FLANAGAN STATE BANK

BY:_____

ITS:_____

SIGNATURE:_____

CONFIDENTIALITY AGREEMENT

This Confidentiality Agreement is made this _____ day of _____, 20____, by and between _____ and each of its divisions and/or affiliates (“Originator”) and Flanagan State Bank (“Lender”). The Originator and Lender hereby agree as follows:

The Lender agrees that all disclosures embodying business affairs and activities, including but not limited to the identification of customers and suppliers, financial information pertaining to the Originator or its customers, business plans and all documents and things related to the Originator’s business and activities (hereinafter referred to collectively as “Confidential Information”) are and remain the sole and exclusive property of the Originator.

The Lender agrees that all disclosures embodying and/or relating to any computer software, systems and related documentation (hereinafter referred to collectively as “Proprietary Information”) are the proprietary property of the Originator either by the way of ownership or license agreements with third parties, and that said Proprietary Information is not publicly known or available from other sources and is presently being maintained and disclosed by the Originator in the strictest of confidence.

The Lender agrees that it will not, without the Originator’s express written consent, disclose or use any Confidential or Proprietary Information at any time either prior, during, or subsequent to the engagement and rendering of the Services, regardless of whether or not Lender participated in the design and development thereof. The Lender agrees that it will not copy, duplicate or permit anyone else to copy or duplicate, either in whole or in part, and documentation, storage media such as tapes and disks or other things relating to Confidential or Proprietary Information. Upon termination of Lender’s services for the Originator for any reason, any copies and/or originals of material containing Confidential or Proprietary Information shall be immediately returned, subject to the Originator’s direction.

The Lender agrees that any unauthorized disclosure by Lender, Lender’s Staff and/or its agents and employees, of any Confidential or Proprietary Information shall cause irreparable injury to the Originator and that, therefore, the Originator shall be entitled to injunctive relief in addition to any other remedies that may be available at law or in equity, in the event Lender breaches any of its duties and/or obligation under this Agreement. The Lender further agrees to pay all of the Originator’s attorney’s fees and related costs arising out of any breach of this Agreement. The Originator further agrees to pay all the Lender’s attorney’s fees and related costs arising out of any breach of this Agreement.

This Confidentiality Agreement may not be modified, amended, or waived in any manner except in writing, executed by both parties. Failure of the Originator or the Lender to enforce rights hereunder shall not be a deemed waiver. Should any provision(s) be ruled invalid by applicable legal authority, such provisions shall be deemed omitted and the remaining terms of the Agreement remain in full force and effect. This Agreement shall be governed by and construed in accordance of the Laws of the State of Illinois.

ORIGINATOR

FLANAGAN STATE BANK

By: _____
(Signature)

Name: _____
(Printed)

By: _____
(Signature)

Name: _____
(Printed)

LLC MEMBER RESOLUTION

RESOLUTION OF THE MEMBERS

RESOLVED FIRST, that

NAME OF MEMBER	SIGNATURE OF MEMBER	TITLE OF MEMBER
NAME OF MEMBER	SIGNATURE OF MEMBER	TITLE OF MEMBER
NAME OF MEMBER	SIGNATURE OF MEMBER	TITLE OF MEMBER
NAME OF MEMBER	SIGNATURE OF MEMBER	TITLE OF MEMBER

Of this LLC, 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 the behalf of this LLC and from time to time while these resolutions are in effect, to execute any and all agreements, contracts, assignments, endorsement and issuance of checks or drafts, reports, mortgage documents, and other papers in connection with documents, and furnish any information required or deemed necessary or proper by Flanagan State Bank, in connection with and of the foregoing.

CERTIFICATION

I HEREBY CERTIFY that the foregoing is a true and correct copy of a resolution presented to and adopted by the Members of _____ at the meeting duly called and held at _____ on the _____ day of _____ 20____, at which a quorum was present and voted, and such resolution is duly recorded in the minute book of this LLC; and are the present incumbents of the respective offices set after their respective names.

SECRETARY

LLC MANAGER RESOLUTION

RESOLUTION OF THE MANAGERS

RESOLVED FIRST, that

NAME OF MANAGER	SIGNATURE OF MANAGER	TITLE OF MANAGER
NAME OF MANAGER	SIGNATURE OF MANAGER	TITLE OF MANAGER
NAME OF MANAGER	SIGNATURE OF MANAGER	TITLE OF MANAGER
NAME OF MANAGER	SIGNATURE OF MANAGER	TITLE OF MANAGER

Of this LLC, 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 the behalf of this LLC and from time to time while these resolutions are in effect, to execute any and all agreements, contracts, assignments, endorsement and issuance of checks or drafts, reports, mortgage documents, and other papers in connection with documents, and furnish any information required or deemed necessary or proper by Flanagan State Bank, in connection with and of the foregoing.

CERTIFICATION

I HEREBY CERTIFY that the foregoing is a true and correct copy of a resolution presented to and adopted by the Managers of _____ at the meeting duly called and held at _____ on the _____ day of _____ 20____, at which a quorum was present and voted, and such resolution is duly recorded in the minute book of this LLC; and are the present incumbents of the respective offices set after their respective names.

SECRETARY

Resolution / Certification of Authorization

RESOLUTION OF BOARD OF DIRECTORS and CERTIFICATION OF AUTHORIZED SIGNATURES of

RESOLVED FIRST, that

NAME OF OFFICER	SIGNATURE OF OFFICER	TITLE OF OFFICER
NAME OF OFFICER	SIGNATURE OF OFFICER	TITLE OF OFFICER
NAME OF OFFICER	SIGNATURE OF OFFICER	TITLE OF OFFICER
NAME OF OFFICER	SIGNATURE OF OFFICER	TITLE OF OFFICER

Of this LLC, 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 the behalf of this LLC and from time to time while these resolutions are in effect, to execute any and all agreements, contracts, assignments, endorsement and issuance of checks or drafts, reports, mortgage documents, and other papers in connection with documents, and furnish any information required or deemed necessary or proper by Flanagan State Bank, in connection with and of the foregoing.

CERTIFICATION

I HEREBY CERTIFY that the foregoing is a true and correct copy of a resolution presented to and adopted by the Board of Directors of _____ at the meeting duly called and held at _____ on the _____ day of _____ 20____, at which a quorum was present and voted, and such resolution is duly recorded in the minute book of this LLC; and are the present incumbents of the respective offices set after their respective names.

SECRETARY