



Partner Application

Required Information for Becoming an
Approved Castor Financial Broker Partner

100 Bayview Circle #4100,
Newport Beach CA 92660

Office (833)592-2482

NMLS ID: 982017





Broker Application Checklist

THANK YOU FOR YOUR INTEREST IN BECOMING AN APPROVED BROKER-PARTNER WITH CASTOR FINANCIAL, INC. “(CASTOR)”.

REQUIRED AGREEMENTS & FORMS:

- | | |
|--|--|
| <input type="checkbox"/> Broker Agreement | <input type="checkbox"/> Fraud Policy – Zero Tolerance |
| <input type="checkbox"/> Broker Information Form | <input type="checkbox"/> Web Access Form |
| <input type="checkbox"/> Broker Compensation Agreement | <input type="checkbox"/> IRS Form W-9 |
| <input type="checkbox"/> MARI-MIDEX Authorization | |

REQUIRED SUPPORTING DOCUMENTATION:

- | | |
|---|---|
| <input type="checkbox"/> Financial Statements – Previous year financials or end-of-year financial statements (balance sheet and income statement) or last three (3) months bank statements. *Financial statements must be signed by the owner, officer or principal of the company. | <input type="checkbox"/> Company Formation Documents – Articles of Incorporation or Articles of Organization. |
| | <input type="checkbox"/> DBA – Copy of Fictitious Business Name Filing (if applicable) |
| | <input type="checkbox"/> Resume(s) - of Owner(s), Partner(s) or Corporate Officer(s) |



Broker Application

APPLICANT INFORMATION

LEGAL NAME OF COMPANY DBA NAME OF COMPANY (IF DIFFERENT) DATE OF FORMATION

COMPANY ADDRESS CITY STATE ZIP

COMPANY WEBSITE COMPANY MAIN PHONE NUMBER COMPANY NMLS #

STATE LICENSE NUMBER EXPIRATION DATE STATES LICENSED TO ORIGINATE LOANS

BROKER OF RECORD SOCIAL SECURITY NUMBER DATE OF BIRTH

HOME STREET ADDRESS CITY STATE ZIP

EMAIL ADDRESS MOBILE NUMBER BROKER NMLS #

STATE LICENSE NUMBER EXPIRATION DATE

PRINCIPAL OFFICER SOCIAL SECURITY NUMBER DATE OF BIRTH

HOME STREET ADDRESS CITY STATE ZIP

EMAIL ADDRESS MOBILE NUMBER

☐ ASSOCIATION ☐ S CORP
☐ PARTNERSHIP ☐ LLC
☐ C CORP ☐ SOLE PROPRIETOR

TYPE OF BUSINESS OWNER % OF OWNERSHIP

IF A CORPORATION, IS IT A SUBSIDIARY OF, OR CONTROLLED BY ANOTHER ENTITY? IF YES, BY WHOM?



Broker Application

BRANCH INFORMATION - If Applicable

| | | |
|-------------|---------|-------|
| BRANCH NAME | CONTACT | PHONE |
|-------------|---------|-------|

| | | | |
|---------|------|-------|-----|
| ADDRESS | CITY | STATE | ZIP |
|---------|------|-------|-----|

| | | |
|-------------|---------|-------|
| BRANCH NAME | CONTACT | PHONE |
|-------------|---------|-------|

| | | | |
|---------|------|-------|-----|
| ADDRESS | CITY | STATE | ZIP |
|---------|------|-------|-----|

| | | |
|-------------|---------|-------|
| BRANCH NAME | CONTACT | PHONE |
|-------------|---------|-------|

| | | | |
|---------|------|-------|-----|
| ADDRESS | CITY | STATE | ZIP |
|---------|------|-------|-----|

OPERATING SYSTEMS

| | |
|----------------------------|--|
| LEAD MANAGEMENT SYSTEM/CRM | LOAN ORIGINATION SYSTEM (IF DIFFERENT) |
|----------------------------|--|

AFFILIATED COMPANIES - Title, Escrow - If Applicable

| | | | |
|--------------|------------------|----------------|-------|
| COMPANY NAME | TYPE OF BUSINESS | % OF OWNERSHIP | EMAIL |
|--------------|------------------|----------------|-------|

| | | | |
|--------------|------------------|----------------|-------|
| COMPANY NAME | TYPE OF BUSINESS | % OF OWNERSHIP | EMAIL |
|--------------|------------------|----------------|-------|

COMPANY HISTORY

Questions – If the answer is yes to any of the questions below, please provide a separate written letter of explanation.

- | YES | NO | |
|--------------------------|--------------------------|---|
| <input type="checkbox"/> | <input type="checkbox"/> | Has your company/institution ever been suspended from selling or submitting loans to another financial institution or lender? |
| <input type="checkbox"/> | <input type="checkbox"/> | Has your company/institution ever been involved or is currently involved in litigation? |
| <input type="checkbox"/> | <input type="checkbox"/> | Has your company/institution and/or principals or corporate officers been named as a defendant in a criminal proceeding or a complaint/conviction for alleged fraud or misrepresentation in connection with any real estate-related or mortgage lending-related activity? |
| <input type="checkbox"/> | <input type="checkbox"/> | Has your company/institution and/or principals or corporate officers been the subject of an action under bankruptcy laws or other applicable insolvency laws within the past 7 years? |
| <input type="checkbox"/> | <input type="checkbox"/> | Has your company/institution and/or principals or corporate officers ever had a real estate or other professional license suspended or revoked, or received any other disciplinary action from a regulatory agency? |
| <input type="checkbox"/> | <input type="checkbox"/> | Has any financial institution enforced the hold harmless or repurchase clause of their correspondent or broker agreement with your company/institution and/or any principals or corporate officers? |



Broker Application

AUTHORIZATIONS AND CERTIFICATIONS

By signing this application you agree that Castor Financial, Inc. may at its discretion, provide information to you and/or your company via fax, telephone, and/or email using the phone numbers and email addresses provided herein (or to other telephone, fax, and email addresses as provided by you from time to time) and/or by courier, U.S. postage, the internet, computer, and/or other means, You agree to provide updated fax, telephone, and email addresses to Information provided may pertain to pricing, rates, available programs, specials and other topics to keep you aware of product opportunities and changes in the marketplace and/or how Castor Financial, Inc. does business. You also agree to provide with annual Castor Financial, Inc. with annual Recertification.

The undersigned Applicant declares that the information contained in this application and all accompanying supporting documentation is true to the best of his or her knowledge and belief. Applicant understands that Castor Financial, Inc. is relying on said information in making its business decision to approve said Applicant. Castor Financial, Inc. and/or its affiliates are hereby authorized to obtain verification of the information from any source name herein (including credit checks, reference inquiries, and background checks) of the Applicant Broker, its Principals and Owners in connection with this Mortgage Broker Application. A photographic copy of this authorization may be used as duplicate original. I will treat the information obtained as confidential.

SIGNATURES

BROKER'S SIGNATURE

PRINTED NAME

DATE

PRINCIPAL OFFICER'S SIGNATURE

PRINTED NAME

DATE



Wholesale Broker Agreement

This Wholesale Broker Agreement (hereinafter referred to as "Agreement") is by and between **Castor Financial, Inc.** (hereinafter referred to as "Lender"), a California Corporation, having an address at: **100 Bayview Cir #4100, Newport Beach CA 92660**

and _____, (hereinafter referred to

as "Broker") having an address at _____,

and shall become effective as of _____ ("Effective Date").

RECITALS

WHEREAS, the parties hereto wish to establish a non-exclusive relationship whereby Broker will submit to Lender for underwriting and possible funding by Lender application packages (collectively, "Applications") for Mortgage Loans to be secured by first and subordinate liens on residential properties (the "Loans") on behalf of Broker's clients (collectively, "Borrowers"). NOW, THEREFORE, the parties do hereby agree as follows:

BROKER AGREEMENT

1. NON-EXCLUSIVE AGREEMENT:

Nothing contained herein shall obligate Broker to submit Applications, to Lender, it being understood that this shall be a non-exclusive agreement. Nothing contained herein shall obligate Lender to fund a Loan in connection with an Application submitted by Broker without Lender's prior review and approval in writing, which approval may be withheld in Lender's sole discretion. Lender's obtaining of a Loan Package (as defined below) from Broker does not:

- a. Prohibit Lender from considering loan application packages from other sources;
- b. Obligate Lender to accept or consider other or future packages from Broker; or
- c. Establish an ongoing relationship with Broker.

2. BROKER RESPONSIBILITY:

With regard to Loans submitted by Broker to Lender, Broker shall describe and represent to a Borrower only the Lender's policies, procedures and pricing as set forth in writing by Lender. Broker is an independent contractor and shall not advertise or in any manner represent that it is employed by, is an agent or representative of, or is in any way related to Lender, or that any of Broker's officers and employees are officers or employees of Lender. Broker shall be solely responsible for the accuracy of any statements, explanations, or claims made to Borrower about the terms of the Loan, the approval process, or the status of the Borrower's Loan Approval. Broker shall have no authority to execute any documents of any type on behalf of Lender nor shall Broker have the authority to make any commitments of any type on behalf of Lender or to bind, contract or incur liability for Lender.

Broker understands that, in consideration of Lender funding Loans offered by Broker, Lender relies on Broker's full cooperation, before and after the funding of any Loan. Broker agrees to fully assist Lender in obtaining any information and documentation Lender deems necessary and to otherwise cooperate fully with Lender to fulfill the purpose of this Agreement.



3. BROKER SERVICES:

Broker shall be responsible at its own expense for the accurate preparation and execution of a complete property and credit application on each loan request submitted, in accordance with such programs, procedures and fee schedules as Lender periodically may establish, including, but not limited to, those items described herein below or as may be required by Lender in conformance with Lender's policies and procedures and/or the policies and procedures of its investors in the secondary market and may be modified from time to time at Lender's sole discretion.

During the term of this Agreement, Broker and Lender agree that Broker may, from time to time, identify potential borrowers for residential mortgage loan transactions that Lender may, upon acceptance of a loan application, underwrite, approve, close and fund a loan.

The contents of all Loan Packages submitted to Lender shall immediately become the property of Lender and Broker hereby assigns all right, title and interests in the Loan Package (except for Broker's right to receive an origination fee) to Lender. All information contained in a Loan Package may be subject to Lender's independent verification.

4. LOAN APPROVAL:

Loan Approval shall be at Lender's sole discretion. Broker shall not commit Lender to do anything or take any action without the prior written approval of Lender. Without limiting the generality of the foregoing, Broker shall not represent that Lender has approved or will approve any Loan until Broker is so informed by Lender in writing.

In addition, Broker shall not issue a lock-in agreement until Broker receives written notice of the commitment from Lender which shall include the interest rate, points and other terms of the commitment. Any notice of a commitment to a Borrower shall include a description of all conditions that must be satisfied prior to closing ("Conditional Loan Approval").

It is also fully understood and agreed that Lender's approval of the Loan application is based upon submission by Broker of true and accurate information in the Loan Package and all supporting documentation, including, but not limited to, the handwritten and typed Form 1003 and any and all additional documents. The fact that final approval of the Application is solely within the discretion of Lender shall not be used as a defense to a claim that the Broker has breached any part of this agreement or that Broker has submitted false or inaccurate information in the Loan Package and supporting documentation.

5. UNDERWRITING OF LOANS:

Lender shall have the right, but not the obligation, to underwrite any Loan submitted for funding pursuant to this Agreement. Loan underwriting approval decisions shall be made exclusively by Lender in Lender's sole discretion, in accordance with Lender's approval criteria then in effect. However, the exercise of this right by Lender to underwrite the Loan shall not affect Broker's obligations hereunder in any way, including, without limitation, Broker's repurchase obligations and Broker's indemnification obligations. Lender will have no liability whatsoever to Broker for the underwriting of any Loan or for the failure by Lender to underwrite any Loan in accordance with Lender's Guidelines.

Broker understands that Lender routinely conducts quality control audits to re-verify income/deposits information, credit documentation, and appraisals submitted by Broker. Broker understands employment is verified verbally and/or in writing on all Loan programs offered by Lender. Broker understands that any discrepancies found by Lender during quality control and verbal audits are ground for immediate cancellation of this Agreement and possible notification to applicable state and government agencies.

6. CLOSING OF LOANS:

All Loans shall close in Lender's name or in a fictitious business name of Lender.



7. NOTIFICATION OF ACTION:

Lender shall notify Broker electronically of the conditional loan approval ("Conditional Loan Approval") suspension, or rejection of each completed Loan Package. For each Loan conditionally approved by Lender, Lender shall fund the loan provided that all conditions precedent are satisfied and all documentation as required by Lender is submitted. With respect to each Loan funded by Lender, Broker agrees to submit in a timely manner all documentation required by Lender to sell each Loan in the Secondary Market and will use reasonable efforts to furnish all documents required by the purchaser of Loan in the Secondary Market (the "Investor"), even if not requested by Lender at the time of funding.

8. BROKER COMPENSATION:

Broker and Loan Originator Compensation is regulated Federally by the Truth in Lending Act (TILA) as amended, supplemented, and controlled by the Dodd-Frank Act and any other associated regulations. The required documentation and disclosure of any and all Broker origination fees or charges is regulated by the Real Estate Settlement Procedures Act (RESPA). Broker shall strictly comply with all rules of the TILA-RESPA Integrated Disclosure (TRID) Rule and all laws, rules, and regulations promulgated thereunder. Broker agrees that at all times, and with every mortgage application, to fully comply these statutes, as well as with any state-specific regulations that would apply to a given mortgage loan. This compliance includes, but is not limited to, the following particulars:

- a. For every mortgage Loan transaction submitted to Lender, Broker must choose the source of Broker's compensation: Lender Paid Compensation (LPC) or Borrower Paid Compensation (BPC). Broker will inform Lender of the Broker's choice at the time of submission. Broker understands and agrees that Broker Compensation may only be paid by one source, either the Lender or the Borrower, and that compensation received from both Borrower and any person or entity other than borrower (including Lender) for the same transaction is strictly prohibited.
- b. No consideration of any kind or from any source shall be due or payable on any Mortgage Loan transaction unless and until 48 hours after confirmation that the Mortgage Loan has been funded and closed by Lender. No Broker compensation will be due and payable from Lender to Broker if proposed Mortgage Loan is not accepted by Borrower and funded by Lender.
- c. In order to receive Lender Paid Compensation, Broker must complete a Compensation Election Form, defining a valid Compensation Plan. The Compensation Plan will define exactly the amount (generally a percentage with an optional flat fee, minimum, or maximum) the Broker will be paid on each loan funded by Lender under the LPC selection. The Compensation Plan selected will remain in force unless and/or until Broker elects a different Compensation Plan by submitting a new Compensation Election Form. Restrictions apply to the terms of the Compensation Plan and as to how often Broker can make changes to the Compensation Plan. Lender reserves the right to amend the Compensation Plan Elections and any restrictions associated with Compensation Plans at anytime, without notice.
- d. All Borrower Paid Compensation due to the Broker in connection with the Mortgage Loan will be paid either from the Borrower's own funds (or from another source on behalf of Borrower) or may be deducted from the proceeds of the Mortgage Loan in accordance with the Mortgage Loan closing instructions. Borrower Paid Compensation is negotiated by the Broker directly with the Borrower and may vary based on the terms agreed to by the borrower on each Mortgage Loan transaction. Lender will not be responsible nor a party to any Broker negotiations with the Borrower in a BPC transaction. Broker agrees to charge only such fees for its services and such expenses as are permitted by applicable law and regulation and that in choosing to be paid by the Borrower, agrees that the Broker may not receive any compensation directly or indirectly from any other person or entity, regardless of whether such other compensation is paid through closing or outside of escrow.



9. AUTHORITY AND GOOD STANDING:

At all times during the term of this Agreement, Broker shall have and maintain the requisite power, authority, and legal capacity to enter into and perform its obligations under this Agreement. Broker has taken all necessary actions to authorize the execution, delivery, and performance of its duties under this Agreement. Further, Broker's performance under this Agreement will not conflict with or result in a breach of any terms, conditions, or provisions of Applicable Laws or regulations, or of Broker's articles of incorporation, charter, by-laws, partnership agreement, or other organizational documents, any agreement to which it is a party, or any court order, judgment or decree to which it is subject. Broker's participation in this Agreement is in the ordinary course of Broker's business.

10. LICENSING:

At all times during the term of this Agreement, Broker shall be duly organized, validly existing, and in good standing under the laws of the state governing its creation and existence and duly licensed to transact business in the state(s) in which properties serving as security for any mortgage loan applications submitted by Broker are located. Broker and its employees, as required, possess all necessary licenses, permits, authorizations, registrations, and approvals to engage in the activities contemplated by this Agreement.

11. MATERIAL LITIGATION:

There is no litigation, action, suit, proceeding, arbitration, inquiry, review, audit, or investigation pending or, to the best of Broker's knowledge, threatened, against Broker that, either in any one instance or in the aggregate, may result in any material adverse change in Broker's business, operations, financial condition, or reputation, which would draw into question the validity or enforceability of any loan, document, or any action taken or to be taken by Broker, or which would materially impair Broker's ability to perform all of its obligations under this Agreement.

12. COMPLIANCE WITH LAWS:

Broker has complied, and will comply, with any law, ordinance, requirement, regulation, rule, or order applicable to its business, the violation of which might adversely impact Broker's operations, reputation, or financial condition or the Broker's ability to submit Applications and Loans under this Agreement. In connection with the Applications and Loans, Broker has complied and shall continue to comply with all applicable federal, state, and local laws, regulations, and rules, including, without limitation, applicable state lending and licensing and/or registration laws (including but not limited to the SAFE Act), the Federal Fair Housing Act, Unfair Deceptive, Abusive Acts and Practices, RESPA, Regulation X, TILA, Regulation Z, Equal Credit Opportunity Act, Regulation B, Consumer Credit Protection Act, Flood Disaster Protection Act, Fair Credit Reporting Act, Home Mortgage Disclosure Act, and HUD regulations applicable to a loan correspondent all as amended from time to time (collectively, "Applicable Laws").

Broker shall, at a minimum, implement the following policies that meet federal and, as applicable, state regulatory requirements:

1. Anti-Money Laundering Program;
2. Customer Information/Data Security Program;
3. Quality Control Plan; and
4. Appraiser Independence Policy.

Additionally, Broker shall timely deliver a loan options disclosure, when required pursuant to anti-steering requirements, to each consumer applying for a mortgage loan, which shall satisfy the safe harbor requirements of the anti-steering regulations adopted by the CFPB as part of the Loan Originator Compensation Rules. The loan options disclosure (or similarly named document) shall be provided to Lender by Broker as a part of every application package that is submitted.



13. FRAUD – ZERO TOLERANCE:

Lender maintains a ZERO TOLERANCE Fraud Policy a copy of which will be included with this Agreement to be executed by the Broker. In signing this agreement and the Zero Tolerance Statement, Broker warrants as follows:

- a. Broker shall not submit any application for a mortgage loan, nor any supporting documentation required for the approval of such mortgage loan, containing fraudulent or misrepresented information. Broker shall be fully responsible for all actions taken in performing its obligations under this Agreement and in relation to this warranty, whether any such information is submitted by the Broker, its employees, agents/licensees, the applicant(s), or any other third party involved in the origination of the Mortgage Loan. Broker shall cooperate in any fraud or excess delinquency investigations conducted by Lender or its agent or designee. BROKER UNDERSTANDS THAT BY MAKING THE WARRANTY CONTAINED IN THIS SECTION IT IS WARRANTING THE ACCURACY OF ALL INFORMATION CONTAINED IN ANY LOAN PACKAGE SUBMITTED TO LENDER, WHETHER OR NOT SUBMITTED BY BROKER AND WHETHER OR NOT BROKER HAS KNOWLEDGE OF, OR REASON TO SUSPECT, ANY INACCURACY.

In the event that Lender has reason to believe an event of fraud or misrepresentation has occurred in connection with a closed loan file, Broker shall unconditionally repurchase any such Mortgage Loan immediately and refund to Lender any and all premium paid by Lender to Broker. In addition to required repurchase in the event of a funded loan containing fraud or misrepresentation, Broker further understands that in the event the Lender reasonably believes there has been some form of fraud or misrepresentation made in connection with a mortgage loan, regardless of whether the loan was funded, the Lender has a duty to report any such incidences of fraud, misrepresentation, or other suspicious activity to the appropriate State and Federal regulatory authorities, as required by the Bank Secrecy Act and Lender's internal Anti-Money Laundering Policy and Lender will not hesitate to do so. Broker acknowledges the importance of Lender's right and necessity to disclose such information. Therein, Broker waives any and all claims for liability, damages and equitable or administrative relief in connection with Lender's disclosure of such information.

14. FICTITIOUS NAMES:

Broker has no fictitious name or "doing-business-as" names except those that are disclosed to Lender in writing and registered in the Nationwide Mortgage Licensing System ("NMLS").

15. CONFLICTS OF INTEREST:

At all times during the term of this Agreement, Broker shall conduct itself so as to avoid any actual or perceived conflicts of interest. Broker shall not have any direct or indirect ownership interest in any property serving as security for the Loan or any business or personal affiliation with, or direct or indirect ownership interest in, any third-party vendors providing services with respect to the Loan, including but not limited to, any settlement service providers, notary, credit reporting agencies, real estate agents, appraisers, or title or escrow agents involved in the Loan. Broker shall not act as the real estate agent representing the buyer or seller in connection any loan, or conduct any settlement services related to the loan transaction. Broker shall disclose to Lender in writing any personal or monetary involvement relating in any way to a loan application.

16. PERFORMANCE OF SERVICES:

Broker represents and warrants that for each loan transaction, it has fully performed the services required by federal, state and local laws and regulations to earn compensation as a mortgage broker, including all of the following services normally performed in the origination of a loan:

- a. Taking information from the borrower and completing the application;
- b. Analyzing the prospective borrower's income and debt and making a preliminary determination regarding the maximum loan amount that the applicant can afford;
- c. Educating the prospective borrower in the home buying and finance process, advising the applicant about the different types of loan products available, and demonstrating how closing costs and monthly payments would vary under each product;
- d. Collecting financial information (tax returns, bank statements) and other related documents that are part of the application process;



- e. Initiating/ordering requests for mortgage and other loan verifications;
- f. Assisting the borrower in understanding and clearing credit conditions;
- g. Maintaining regular contact with the borrower, realtors, and Lender between application and loan funding to apprise them of the status of the application and to gather any additional information as needed;
- h. Ordering any required documents; and,
- i. Participating in the loan closing as applicable and as needed.
- j. No party other than Broker shall have performed such origination services.

17. RESPONSIBILITY OF FEES INCURRED:

Broker represents and warrants that Broker shall be responsible for all costs and expenses of Broker and Broker's services providers, including but not limited to third-party credit providers, and Lender shall have no responsibility or liability thereto. Further, Broker will not advance funds to or induce, solicit, or knowingly receive any advance of funds from a borrower or any other party, directly or indirectly, for the payment of any amount required to be paid with respect to the Mortgage Loans.

18. BORROWER'S AUTHORIZATION:

Broker has received written authorization from the Borrower to submit the Mortgage Loan Application to the Lender and for Lender to view and verify Borrower's credit information and all other information contained in the Loan Package.

19. RELEASE OF CREDIT INFORMATION:

Broker shall strictly comply with all applicable laws and regulations regarding the access of consumer credit, including but not limited to the Fair Credit Reporting Act and its implementing regulations. Broker agrees to utilize only those credit vendors approved by Lender and Lender shall provide a list of such approved credit providers to the Broker upon request. Broker acknowledges and agrees that upon permission of the borrower to submit the loan to Lender and upon further written permission granted by Broker that Lender may be granted access to a re-issued credit report initially requested by Broker. In no case will Lender access a borrower's credit report as pulled by Broker without the written authorization from such Broker that Lender may act on its behalf.

20. INITIAL DISCLOSURES:

Lender is responsible for the timely delivery of all initial disclosures as defined by the TILA-RESPA ("TRID") rule. An acceptable, complete package along with the signed Intent to Proceed, Settlement Service Provider List (SSPL), Anti-Steering Form and Borrower's Authorization must be RECEIVED WITHIN 24 HOURS OF THE DATE OF THE APPLICATION. ALL SUBMISSIONS SUBMITTED OUTSIDE OF THIS TIMEFRAME WILL BE REJECTED.

21. BORROWER'S ABILITY TO REPAY (ATR):

Broker will consistently consider the financial ability and creditworthiness of the borrower to repay the loan in order to avoid default and foreclosure. Broker will determine the creditworthiness and ability to repay through the use of objective, empirically derived, statistically significant credit bureau scoring, calculation of the borrower's existing and proposed debt-to-income ratio, and any other proprietary factors, and will not rely solely on the equity in the home as the means of determining the borrower's ability to repay. Broker will only submit applications for loans that will be a benefit to the borrower and for which the borrower has exhibited a clear ability to repay. If a loan is exempt from the coverage of TILA and RESPA, then these requirements may not apply.



22. SOLICITATION PROHIBITED:

Broker shall not directly or indirectly solicit any borrower to refinance a Loan within 180 days after Lender funds such Loan. Notwithstanding the foregoing, it is understood and agreed that:

- a. Promotions undertaken by the Broker that are directed to the general public at large, including, without limitation, mass mailing based on commercially acquired mailing lists, newspaper, radio and television advertisements; and
- b. Customer retention communications to the borrower personally, by telephone or mail such as newsletters, birthday cards, and requests for referrals shall not constitute a violation of this subsection.

During the term of this Agreement, and for twelve (12) months following termination of this Agreement, Broker shall not directly or indirectly solicit for purpose of employment any employee of Lender.

23. ELECTRONIC SERVICES:

Lender may from time to time directly or indirectly make available to or provide or arrange access to Broker, Broker's employees, agents and/or customers' various electronic systems, services, and content (collectively, "Electronic Services"), including, without limitation: a) any software, system, electronic tool including, without limitation, interactive tools, internet capability, site or service, hardware, device, or communications facility (collectively, "Electronic Tools"); and/or b) any information, data, forms, documents, reports, calculations or other content whether provided through Electronic Tools or otherwise (collectively, "Content"). All or any part of the Electronic Services may be developed, licensed and/or provided by third-party licensors, vendors, subcontractors or other third-party sources (collectively, "Sources").

LENDER AND ITS CONTROL PERSONS, SUCCESSORS AND ASSIGNS, OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS (COLLECTIVELY, "LENDER'S PERSONS") AND THE SOURCES HEREBY EXPRESSLY DISCLAIM ANY AND ALL WARRANTIES, GUARANTEES, CONDITIONS, COVENANTS AND REPRESENTATIONS RELATING TO ANY ELECTRONIC SERVICES, INCLUDING, BUT NOT LIMITED TO, ANY RELATING TO MERCHANTABILITY, QUALITY, ACCURACY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, NON-INFRINGEMENT, TIMELINESS, ABSENCE OF VIRUSES OR DAMAGING OR DISABLING CODE, AND ANY WARRANTIES OR REPRESENTATION (I) THAT ANY ELECTRONIC SERVICES OR ACCESS TO ANY PORTION OR IT WILL BE UNINTERRUPTED OR ERROR-FREE, OR (II) THAT DEFECTS IN SUCH ELECTRONIC SERVICES WILL BE CORRECTABLE OR CORRECTED. NOTWITHSTANDING ANY PROVISION HEREIN TO THE CONTRARY, LENDER, NOR ANY LENDER'S PERSON OR SOURCE WILL BE LIABLE FOR ANY LOSS, COST, CLAIM OR DAMAGE (INCLUDING, BUT NOT LIMITED TO, DIRECT, INDIRECT OR CONSEQUENTIAL DAMAGES OR LOST PROFITS) ARISING OUT OF OR OTHERWISE RELATING TO ANY ELECTRONIC SERVICES OR THE USE OR ACCESS TO OR UNAVAILABILITY OR ANY OF THE SAME.

24. INDEMNIFICATION:

Broker shall indemnify and hold Lender harmless from and against any and all loss, claim, damage, liability, and cost sustained or incurred by Lender, including all costs and reasonable attorney's fees and costs, arising out of or based upon the inaccuracy or breach of any warranty or representation made by Broker in this Agreement, the breach by Broker of any obligation or covenant to be performed by Broker under this Agreement, or any claim by a Mortgage Loan applicant arising out of a failure or refusal to fund a Mortgage Loan. In the event of any claim against Lender or Broker by a Mortgage Loan applicant, Lender shall have the exclusive right to determine the conduct and defense of such legal proceeding or investigation with such Mortgage Loan applicant including, without limitation, the right to compromise, settle, defend or continue any such action. Lender shall have the right but shall be under no obligation, to assume the legal defense of Broker, and Broker shall pay Lender its reasonable share of legal costs and expenses.



25. REPURCHASE OBLIGATION:

Broker agrees to repurchase from Lender any Mortgage Loan made pursuant to this Agreement, upon the terms and conditions set forth herein, in the event the Broker has breached any of the terms of this Agreement. Broker shall effectuate the purchase of any Mortgage Loan required to be repurchased pursuant to this Agreement within ten (10) days after Broker's receipt of written demand for repurchase from Lender. The repurchase price for any Mortgage Loan that Broker is required to purchase hereunder shall be an amount equal to the sum of

- a. The then unpaid principle balance of the Mortgage Loan;
- b. Accrued interest through the date of purchase;
- c. All unreimbursed advances and extraordinary costs and expenses incurred by Lender with regard to such Mortgage Loan during the life of the Mortgage Loan;
- d. All other costs and expenses incurred by Lender including penalties incurred by Lender from any investor, or servicer and reasonable attorneys fees incurred in connection with the purchase; and
- e. Any fees paid by Lender, including but not limited to all fees and costs paid to Broker and/or other parties for goods and services rendered in connection with the origination and closing of such Mortgage Loan.

Upon purchase of a Mortgage Loan by Broker, Lender shall endorse the note and shall assign the Mortgage in recordable form to Broker, without representations and warranties, whether express or implied and without recourse to Lender.

26. EARLY PAY-OFF (EPO) PREMIUM RECAPTURE:

If Borrower(s) prepays a Mortgage Loan in full within 180 day or six (6) months of the first payment due date for any reason, Broker shall pay to Lender an indemnification amount equal to all compensation paid to Broker on the loan transaction from any source. Throughout the term of this Agreement, Lender will monitor the frequency of any such EPO activity on loans submitted by Broker and should Lender determine, in its sole and exclusive discretion, as a result of such monitoring, that the frequency of EPO Activity on loans submitted by Broker be deemed excessive, such a finding shall be deemed a valid basis for a declaration of default of this Agreement on the part of the Broker and justification for immediate termination of this Agreement.

27. EARLY PAYMENT DEFAULT (EPD):

In the event the Borrower(s) of a Mortgage Loan originated by Broker shall be deemed an Early Payment Default, Broker agrees to pay to Lender an amount equal to all compensation paid to Broker on the loan transaction from any source. A loan is deemed to be an Early Payment Default if any of the first three (3) payments due under the mortgage note become more than 30 days contractually past due.

28. PURCHASE PRICE:

The price to be paid by Broker ("Purchase Price") to Lender for a loan subject to repurchase under this Agreement shall be:

- a. The unpaid principal balance of such Loan; plus,
- b. All interest accrued but unpaid on the principal balance of the Loan from the paid-to-date of the Loan through and including the last day of the month in which the purchase occurs; plus,
- c. The amount of any lender-paid compensation previously paid to Broker by Lender or any credit used by the borrower to reduce or offset the borrower's settlement charges with respect to such loan; plus,
- d. All reasonable fees and expenses of Lender in enforcing Broker's obligation to purchase such loan; plus,
- e. All fees, interest, charges and expenses incurred by Lender in connection with the warehousing of the loan; plus,
- f. Any unreimbursed advances made by Lender with respect to such loan, including but not limited to taxes or insurance and other payments authorized by the loan documents or law to protect the security interest; less,
- g. Any proceeds of mortgage insurance with respect to the loan collected by Lender.



29. WIRE TRANSFER:

Broker shall complete such repurchase by wire transfer to Lender of immediately available funds in an amount equal to the Purchase Price as set forth above. Upon receipt by Lender of Broker's funds for the repurchase, Lender shall release to Broker the related loan file and shall execute and deliver to Broker such instruments of transfer or assignment, in each case without recourse, as shall be necessary to vest in Broker, or its designee, title to such repurchased Loan(s). Broker shall assume the cost of recordation of assignments and all costs of transfer of any repurchased loan.

30. NON-WAIVER OF REMEDIES; RIGHT TO OFFSET:

Lender is not required to demand repurchase or indemnification within any particular period of time. Any delay or passage of time before making such demand shall not constitute a waiver by Lender and nothing contained in this provision shall limit Lender's right to any remedy, legal or equitable; all such legal and equitable remedies, including those provided for herein, being in addition to and not in lieu of any other remedy. Lender may, in its sole discretion, and without prior notice or demand to Broker, take an offset against any monies due for any reason from Lender to Broker for any reimbursement amount due from Broker to Lender as a result of any EPD, EPO, or indemnification and any such offset taken by Lender shall not under any circumstances, constitute or be deemed to be an accord and satisfaction of any such outstanding amount or matter unless and until Lender confirms such accord and satisfaction in writing.

31. ATTORNEY-IN-FACT:

Broker irrevocably appoints Lender as its attorney-in-fact with full power of substitution for and on behalf of Broker for the limited purpose of endorsing any checks, instruments or other papers representing payments on Mortgage Loans funded by Lender. Broker further consents to Lender completing, executing, delivering and recording any assignment or other documents, to endorse any Mortgage Loan note in the name of Broker, and do everything necessary or desirable to effect transfer of a Lender-funded Mortgage Loan Note or Mortgage or any related collateral to protect the interest of Lender, and/or its agents or assigns, in the collateral for the Mortgage Loan(s).

32. MISCELLANEOUS:

- a. Governing Law: This Agreement is entered into at Santa Ana, California and shall be governed by the laws of the State of California.
- b. Notices: All notices required hereunder shall be in writing and shall be deemed to have been given, made and received only (i) upon delivery, if personally delivered to a party; (ii) One (1) business day after the date of dispatch, if by facsimile transmission; (iii) One (1) business day after deposit, if delivered by a nationally recognized courier service offering guaranteed overnight delivery; or (iv) Three (3) business days after deposit, if delivered in the United States via first class mail, certified mail, postage prepaid, return receipt requested, at the address appearing below.
- c. Attorneys' Fees: If any legal action or other proceeding is brought for the enforcement of any provision of this Agreement, or because of an alleged dispute, breach, default, or misrepresentation in connection with any of the provision of the Agreement, the 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 entitled. In addition, any such suit or proceeding shall be brought only in the state courts located in Orange County, State of California, which courts shall have sole and exclusive in personam, subject matter and other jurisdiction in connection with such suit or proceedings, and venue shall be appropriate for all purposes in such courts.
- d. Assignment: Broker may not assign this Agreement without the express prior written consent of the Lender. Lender may, at its sole discretion, assign this Agreement to another party, without prior consent to Broker.
- e. Entire Agreement: This Agreement constitutes the entire agreement between the parties and supersedes all prior and contemporaneous agreements, representations and understandings. No supplement, modification, or amendment shall be binding unless executed in writing by and unilaterally agreed by both parties hereto. This Agreement applies to all present and future Loans, as well as those Loans previously submitted to or closed by Lender.
- f. Waivers and Remedies: Failure to delay to audit any Loan or to exercise any right shall not act as a waiver of any other right, nor shall any single or partial exercise of any right preclude any other or further exercise thereof. No waiver of any of the provisions of this Agreement shall be deemed, or shall



constitute, a waiver of any other provisions, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by party making the waiver. All remedies shall be cumulative and nonexclusive.

g. Severability: If any provision of this Agreement is held to be invalid, void, or unenforceable, the remaining provisions shall nevertheless continue in full force and effect. Neither this Agreement nor any term hereof may be changed, waived, discharged or terminated except in writing signed by the party against which enforcement of such change, waiver, discharge or termination is sought. This Agreement may be signed in any number of counterparts, each of which shall be deemed an original, which taken together shall constitute one and the same instrument.

h. Arbitration: Lender may require that all disputes, controversies, or differences, between the parties, arising out of or related to this Agreement be resolved through binding arbitration. If Lender elects not to use arbitration, or if a court of competent jurisdiction rules that Lender's option under this part of the Agreement is invalid and shall control as to the jurisdiction and venue of any legal action concerning the Agreement. If Lender requires an arbitration to resolve any disputes, controversy or differences between the parties arising out of or related to this Agreement, the arbitration shall occur in California. Arbitration shall be conducted by a single arbitrator in accordance with the then-current commercial arbitration rules and supplementary procedures for commercial arbitration of the American Arbitration Association ("AAA"). Any discovery shall be conducted in accordance with laws of the State of California. The arbitrator shall be selected by the mutual agreement of the parties, or failing such agreement, shall be selected according to AAA rules. Judgment upon any arbitrator's award may be entered in any court of competent jurisdiction. The parties hereby consent to such court's jurisdiction.

i. Confidentiality: Broker agrees to comply with the privacy and safeguarding requirements of the Dodd Frank Act, Gramm Leach-Bliley Act, and the appropriate regulations and guidelines thereunder, and the requirements of any state privacy and safeguarding requirements, with regard to the information of Lender and its affiliates that is subject to such act, regulations, guidelines and/or requirements. In connection therewith, Broker shall take appropriate actions to address incidents of unauthorized access to such information, and shall notify Lender as soon as possible of any incident of unauthorized access to such information. Broker further agrees not to sell, transfer or otherwise give to any person or firm, or otherwise use, directly or indirectly, any compilation or list of Lender borrowers. A breach of Broker's confidentiality obligations may cause Lender to suffer irreparable harm in an amount not easily ascertained. The parties agree that such breach, whether threatened or actual, will give Lender the right to obtain equitable relief and pursue all other remedies said party may have at law or in equity.

IN WITNESS HEREOF, both parties hereto have caused this Agreement to be executed by their respective duly authorized representatives, as of the date provided below:

BROKER COMPANY

BROKER SIGNATURE

DATE

BROKER PRINTED NAME

TITLE

CASTOR SIGNATURE

DATE

CASTOR PRINTED NAME

TITLE



Broker Compensation Agreement

This Broker Compensation Addendum ("Addendum") is entered into as of the _____ day of _____, 20____, by and between Castor Financial, Inc. {"Castor"} and _____ ("Broker"). This Addendum amends and supplements the Wholesale Broker Agreement ("Agreement") entered into by and between, Castor Financial, Inc. and Broker. Hereafter when read together, the Agreement and the Addendum shall constitute one integrated document.

WHEREAS, the Agreement describes the compensation to be received by Broker and additional representations and warranties from the Broker to Castor;

WHEREAS, Castor and Broker have agreed upon the terms to be included in this Addendum as in the best interests of the parties.

NOW THEREFORE, in consideration of the mutual undertakings and covenants set forth in this Addendum, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. If completed and returned, this Addendum restates and supersedes any and all prior Broker Compensation Addenda to the broker Lending Agreement between the parties.
2. Castor and Broker agree that this Addendum will be effective for all mortgage loans registered and assigned an Castor loan number on or after the date of this Addendum. Castor and Broker agree that the compensation levels specified below shall be effective until amended in writing by the Broker and received by Castor. Any change to this Addendum will be effective on the 1st day of the following calendar quarter and will remain in effect for a minimum of one calendar quarter. If Castor does not receive any change request by the end of each calendar quarter, the prior period compensation Tier will automatically renew until further change requests are received. Castor and Broker agree that the compensation provisions of the Agreement will be supplemented as follows:

Compensation paid by the Borrower

- Castor limits compensation paid by the Borrower to a maximum of 400 basis points. The broker may submit "Borrower-Paid Compensation" loans to Castor with any compensation level up to the maximum allowed. Borrower-Paid Compensation is an agreement of compensation between the Broker and the Borrower and is agreed to prior to submitting the file to Castor.

Compensation paid by the Lender (Castor) (Currently not offered).

- All loans with Lender-Paid compensation must follow the compensation plan in effect at the time the loan is submitted to Castor. Broker selects the following "Lender-Paid Compensation" level:

We understand that Lender-Paid Compensation may be based on a fixed percentage of the loan amount and may be subject to a maximum dollar amount that does not vary per loan.

- ☐ We hereby elect not to use a maximum.
- ☐ We hereby elect to use a maximum of \$ _____



The Broker acknowledges that if a Loan funded by Castor is repaid in full within one-hundred eighty (180) days immediately following the closing of such Loan, Broker, at Castor's option and sole discretion, shall reimburse Castor the amount of any compensation that was paid to Broker by Castor in connection with the Loan. Broker shall reimburse Castor within ten (10) days after notice of early payoff.

By signing below, we certify that:

The Broker Company is in compliance with the Federal Reserve Board's Loan Officer Compensation, Anti-Steering, and Safe Harbor Final Rule as published in 12 CFR Part 226 Regulation Z;

We agree to this Broker Compensation Addendum to Wholesale Broker Agreement and understand that payment of this compensation must be properly disclosed per all legal and regulatory requirements;

We understand that this Broker Compensation Addendum to Wholesale Broker Agreement impacts all loans submitted to Castor from all of our office locations.

IN WITNESS WHEREOF, the parties have caused this Addendum to be executed by their duly authorized representative who, by signing below, represent and certify as having the authority to bind the respective party to this Addendum.

BROKER SIGNATURE

CASTOR SIGNATURE

BROKER PRINTED NAME

CASTOR PRINTED NAME

DATE

DATE



MARI/MIDEX Authorization For Release

RELEASE FOR BUSINESSES AND PROFESSIONALS

_____(Broker) acknowledges that is in the best interest of both the broker and Castor, Inc. “(Castor)” (Lender), to perform a due diligence verification concerning broker’s background and experience. Broker further acknowledges that broker benefits from the efficiencies in the due diligence process that are possible when the lender and other similarly-situated entities in the mortgage industry exchange information about their experiences in doing business with professionals/entities such as broker. Therefore, broker hereby consents and gives Castor permission to obtain information about broker’s company and any and all employees/contractors of said company including, but not limited to, professional history information, criminal record information, credit information and other public record information.

Broker understands Castor performs quality control reviews of the loans that broker submits to Castor for registration, review, underwriting and and/or funding. Broker understands and hereby consents to the release of information about any loan application that is believed to contain misrepresentations and/or irregularities. Broker 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 the broker or its employees is implicated in the alleged misrepresentation and/or irregularities. Broker hereby releases and agrees to hold harmless Castor, LexisNexis Risk Solutions FL Inc. d/b/a Mortgage Asset Research Institute, and LexisNexis Risk Solutions Bureau LLC (collectively, “MARI”), all MARI subscribers, and any trade associations that endorse MARI’s mortgage fraud alert products from any and all liabilities for damages, losses, costs and expenses that may arise from the reporting or use of information submitted by Castor or any other MARI subscriber to Mortgage Asset Research Institute, Inc., recorded in MARI’s MIDEX® database, and used in any way by Castor or any other MARI subscriber.

COMPANY NAME

NAME

TITLE

SIGNATURE

DATE



Fraud Policy – Zero Tolerance

Castor Financial, Inc. (“Castor”) maintains a zero-tolerance stance against any form of fraud perpetrated in the origination, processing, and closing of mortgage loans. All Mortgage Brokers and Principals should be advised that the licensed Broker bears full responsibility for all actions, performed in the course of business, by their employees, agents, or licensees. The undersigned Mortgage Brokers and Principals understand and agree that they will be held fully responsible for the content, quality, and accuracy of each loan application and all supporting documentation submitted to Castor by their employees, agents, and licensees.

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

COMMON TYPES OF LOAN FRAUD

1. Submission of inaccurate information including, but not limited to: false
2. statements on loan applications and falsification of documents purporting to substantiate credit, employment, deposit and asset information; misrepresentation of personal information including identity, ownership and/or non-ownership of real property, etc.
3. Forgery of partially or predominantly accurate information.
4. Incorrect statements regarding current occupancy or intent to maintain minimum continuing occupancy as stated in the security instrument or occupancy affidavit.
5. Lack of due diligence by the mortgage broker/principal/loan officer/interviewer/ processor, including failure to obtain all information required by the application and failure to request information as dictated by Borrower’s response to other questions.
6. Unquestioned acceptance of information or documentation which is known, should have been known, or should be suspected to be inaccurate.
7. Simultaneous or consecutive processing of multiple owner-occupied loans from one applicant supplying different information on each application. Allowing an applicant or interested third-party to assist with the processing of the loan.
8. Mortgage Broker, Principal, or Loan Officer’s non-disclosure of relevant information.

CONSEQUENCES

The effect of Loan Fraud is costly to all parties involved. Castor stands behind the quality of our loan production and our solid reputation with investors and the regulatory community. Fraudulent loans cannot be sold into the secondary market and, if sold, are subject to repurchase. The price paid by those who choose to participate in Loan Fraud is even more costly. The following is a non-exhaustive list of potential consequences that may be incurred:

CONSEQUENCES TO THE MORTGAGE BROKER, PRINCIPAL AND THEIR AGENT(S):

1. Criminal prosecution under federal and/or state law, which may include incarceration, monetary penalties and/or disgorgement of income. As partial reference, see the attached Mortgage Fraud Warning Notice. Loss of Mortgage Broker/Mortgage Banker/Real Estate/Professional license(s).
2. Loss of lender/investor access due to exchange of information between lenders, including submission of information to investor, local/state/federal law enforcement agencies and fraud tracking databases including the Department of Housing and Urban Development.
3. Civil action by Castor.
4. Civil action by applicant/borrower or other parties to the transaction.
5. Loss of approval status with Castor and requirement to repurchase a loan or indemnify Castor for loss.



CONSEQUENCES TO THE BORROWER:

1. Acceleration of debt. Section 5 of the Deed of Trust states in part: "Borrower shall also be in default if Borrower, during the loan application process, gave materially false or inaccurate information or statements to Lender (or failed to provide Lender with any material information) in connection with the loan evidenced by the Note, including, but not limited to, representations concerning Borrower's occupancy of the Property as a principal residence."
2. Criminal prosecution.
3. Civil action by Castor or its successors and assigns, which could include liability for monetary damages.
4. Civil action by other parties to the transaction, such as seller, real estate agent/broker and mortgage broker who may suffer any loss due to reliance upon any misrepresentation(s) made on or in connection with the Loan Application.
5. Adverse effect on credit history.

By signing below, you acknowledge receipt and understanding of the Fraud Policy – Zero Tolerance and the ramifications of non-compliance. In addition, by your execution, you expressly agree that this agreement shall be governed by the laws of the State of California and venue in any action arising hereunder shall at all times be necessary and proper in Orange County, California.

BROKER OF RECORD (SIGNATURE)

PRINCIPAL/OWNER (SIGNATURE)

PRINT NAME OF BROKER OF RECORD

PRINT NAME OF PRINCIPAL/OWNER

DATE

DATE



Wholesale Partner Web Access Request

List all users to be given TPO access, to submit and check status on loans. A spreadsheet can be provided in lieu of.

| NAME | NMLS# | ROLE | PHONE NUMBER | EMAIL NO DUPLICATES |
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