



**Upon completion of the application package, please return it to:**

**U.S. Bank Home Mortgage  
Attn: (Account Representatives Name)  
3501 Del Prado Blvd., Suite 308  
Cape Coral, FL 33904**



## **CORRESPONDENT APPROVAL PROCESS**

### **I. Correspondent Submits Application**

### **II. U.S. Bank Home Mortgage Reviews Correspondent Application**

- a. Review and analyze Audited Financials
- b. Check References
- c. Company Biography
- d. Origination regions
- e. Underwriting & Appraisal Guidelines

### **III. Approval Procedures**

- a. Review of application by Approval Committee for determination of approval.

### **IV. Loan Procedures**

- a. Correspondent originates mortgage loans.
- b. Correspondent processes loan application.
- c. Correspondent registers (or price commits) loan with U.S. Bank Home Mortgage.
- d. Correspondent prepares and submits loan package to the appropriate underwriter (depending on loan program).
- e. Upon approval, the Correspondent closes the loan in their own name.
- f. After closing, the Correspondent submits the closed loan package to U.S. Bank Home Mortgage within 10 calendar days after closing/disbursement.
- g. U.S. Bank Home Mortgage will review the closing package, and if requirements are met, will fund the loan.
- h. Final documents are due to U.S. Bank Home Mortgage within 90 days after Closing/disbursement date.



APPLICATION FOR CORRESPONDENT APPROVAL
FINANCIAL INSTITUTIONS

Institution Name: \_\_\_\_\_

Tax ID#: \_\_\_\_\_

Address (Primary Office): \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

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

Email Address: \_\_\_\_\_

Secondary Contact Person: \_\_\_\_\_ Phone: \_\_\_\_\_

Email Address: \_\_\_\_\_

Facsimile Number(s): \_\_\_\_\_

States Doing Business In: \_\_\_\_\_

AGENCY APPROVALS

YES

NO

FHA Approved Mortgagee \_\_\_\_\_ FHA ID #: \_\_\_\_\_

FHA Direct Endorsed Mortgagee \_\_\_\_\_

VA Approved Mortgagee \_\_\_\_\_ VA ID #: \_\_\_\_\_

VA Automatic Mortgagee \_\_\_\_\_

RD Approved Mortgagee \_\_\_\_\_ RD ID#: \_\_\_\_\_

FNMA Approved Mortgagee \_\_\_\_\_ FNMA ID#: \_\_\_\_\_

FHLMC Approved Mortgagee \_\_\_\_\_ FHLMC ID#: \_\_\_\_\_

Residential Loans Sold (Past Year): Units: \_\_\_\_\_ \$: \_\_\_\_\_

\_\_\_\_\_% FHA/VA \_\_\_\_% CONV \_\_\_\_% ARM \_\_\_\_% PURCHASE \_\_\_\_% REFI

Residential Loans Sold (Current Year): Units: \_\_\_\_\_ \$: \_\_\_\_\_

\_\_\_\_\_%FHA/VA \_\_\_\_%CONV \_\_\_\_% ARM \_\_\_\_% PURCHASE \_\_\_\_% REFI

References:

Current/Previous Investor: \_\_\_\_\_ Contact: \_\_\_\_\_

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

Current/Previous Investor: \_\_\_\_\_ Contact: \_\_\_\_\_

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

Current/Previous Investor: \_\_\_\_\_ Contact: \_\_\_\_\_

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





**Please Note:**

**Should you choose to apply with U.S. Bank for Conventional Delegated Underwriting Authority, the eligibility criteria and levels of authority are contained on the following pages.**

**Delegated Authority for FHA, VA and USDA loans requires a separate approval.**

## **ELIGIBILITY CRITERIA DELEGATED UNDERWRITING AUTHORITY**

Sellers must be specifically approved for Conventional Delegated Underwriting Authority. U.S. Bank Home Mortgage (USBHM) offers three levels of Conventional Delegated authority. The level granted will be determined by the Seller's net worth, experience level of employees performing the underwriting function, QC audit findings/responses and references. USBHM product guidelines will reveal which products are eligible for delegated underwriting based upon the level of authority granted. USBHM will issue a letter to your company as verification of the level of underwriting authority granted.

The eligibility requirements are as follows:

### **Level II:**

1. Seller must have a minimum net worth of \$1,000,000. Two years current audited financial statements must be approved by USBHM.
2. Seller must be approved and in good standing.
3. Seller must submit to USBHM the most recent three months QC audit results and responses.
4. References or existing performance scorecard reports from current delegated investors must be reviewed and approved by USBHM.
5. Seller must have underwriters on staff with a minimum of 3 years experience underwriting conforming and jumbo loans. Resumes for all underwriters must be provided to USBHM.

### **Level III:**

1. Seller must have a minimum net worth of \$1,500,000. Two years current audited financial statements must be approved by USBHM.
2. Seller must be approved and in good standing.
3. Seller must submit to USBHM the most recent three months QC audit results and responses.
4. References or existing performance scorecard reports from current delegated investors must be reviewed and approved by USBHM.
5. Seller must have Underwriting Manager or Senior Underwriter with a minimum 3 years senior level experience underwriting conforming and jumbo loans. Resumes for all underwriters must be provided to USBHM.

#### **Level IV:**

1. Seller must have a minimum net worth of \$5,000,000. Two years current audited financial statements must be approved by USBHM.
2. Seller must be approved and in good standing.
3. Seller must submit to USBHM most recent three months QC audit results and responses must be submitted and approved by USBHM.
4. References or existing performance scorecard reports from current delegated investors must be reviewed and approved by USBHM.
5. Seller must have Underwriting Manager or Senior Underwriter with a minimum 5 years senior level experience underwriting conforming and jumbo loans. Resumes for all underwriters must be provided to USBHM.

The following details the types of loans which can be underwritten by each specific level of delegated authority:

#### **Level II:**

1. Conforming Freddie Mac or Fannie Mae loan amounts that have an LP Accept Eligible, DU Approve Eligible, Custom DU Approve or LP Accept/Ineligible or DU Approve/Ineligible as long as the loan meets USBHM product guidelines. LP Caution with A-Minus Offerings are acceptable as long as product guidelines allow A-Minus decisions.
2. Jumbo loan amounts up to \$650,000 that are submitted to an Automated Underwriting System must have an LP Accept/Ineligible (loan amount only), DU Approve/Ineligible (loan amount only) or Custom DU Approval.
3. All loans must meet specific USBHM product requirements including any specific limits on credit score, LTV, ratio, property, etc.
4. Conforming fixed rate loans must have a minimum credit score or LP Indicator score of 620.
5. Jumbo and Adjustable Rate Loans must have a minimum credit score or LP Indicator score of 650.
6. For Jumbo loans, the borrowers total obligations ratio (DTI) cannot exceed 45% under any circumstances or lower if indicated by product guidelines.
7. The subject property cannot exceed 10 acres.

8. USBHM Second Mortgage products 1<sup>st</sup> and 2<sup>nd</sup> combination loans (piggyback loans) and DU Expanded Approval (EA) are not eligible for delegated underwriting.
9. Manual underwriting is not allowed.
10. Under no circumstances can a loan originally submitted to LP, that received an LP Risk Class rating of Caution, be submitted to DU for approval.
11. Delegated underwriting not allowed on properties secured by a condominium.

**Level III:**

1. Conforming Freddie Mac or Fannie Mae loan amounts that have an LP Accept Eligible, DU Approve Eligible, Custom DU Approve or LP Accept/Ineligible or DU Approve/Ineligible as long as the loan meets USBHM product guidelines.
2. Jumbo loan amounts up to \$650,000 that are submitted to an Automated Underwriting System must have an LP Accept/Ineligible (loan amount only), DU Approve/Ineligible (loan amount only) or Custom DU Approval.
3. All loans must meet specific USBHM product requirements including any specific limits on credit score, LTV, ratio, property, etc.
4. Manual underwriting for conforming conventional loans eligible for LP or DU submission is allowed but cannot exceed 3% of quarterly production. Conforming conventional loans required to be manually underwritten by USBHM product guidelines will not count toward the 3% limit. Manual underwritten loans will be subject to any Freddie Mac CS/LTV Delivery Fees for Non-LP Mortgages (Exhibit 19).
5. DU Expanded Approval (EA) loans are not eligible.
6. Under no circumstances can a loan originally submitted to LP, that received an LP Risk Class rating of Caution, be submitted to DU for approval.
7. Delegated underwriting allowed only on condominium projects qualifying for Streamlined Review process or projects that have a reciprocal review by Fannie Mae with a full 1028 issued provided all conditions of the approval have been documented within the loan file. The applicable USBHM Questionnaire for Reciprocal Reviews must be

included in the loan file as well as a copy of the Reciprocal Approval. All other condo classifications must be underwritten by USBHM.

**Level IV:**

1. Conforming Freddie Mac or Fannie Mae loan amounts that have an LP Accept Eligible, DU Approve Eligible, Custom DU Approve or LP Accept/Ineligible or DU Approve/Ineligible as long as the loan meets USBHM product guidelines.
2. Jumbo loan amounts up to \$1,000,000 that are submitted to an Automated Underwriting System must have an LP Accept/Ineligible (loan amount only), DU Approve/Ineligible (loan amount only) or Custom DU Approval.
3. All loans must meet specific USBHM product requirements including any specific limits on credit score, LTV, ratio, property, etc.
4. Manual underwriting for conforming conventional loans eligible for LP or DU submission is allowed but cannot exceed 3% of quarterly production. Conforming conventional loans required to be manually underwritten by USBHM product guidelines will not count toward the 3% limit. Manual underwritten loans will be subject to any Freddie Mac CS/LTV Delivery Fees for Non-LP Mortgages (Exhibit 19).
5. DU Expanded Approval (EA) loans are not eligible.
6. Under no circumstances can a loan originally submitted to LP, that received an LP Risk Class rating of Caution, be submitted to DU for approval.
7. For loans secured by a Condominium Project, the USBHM Certification of Condominium Approval Form must be included in the loan file. This form requires the underwriter to certify the warranties and requirements of Freddie Mac.



## ACCEPTABLE FINANCIAL SUBMISSIONS

1. Your parent company's consolidated audited financials with your company's individual audited financial information listed separately within the statement, (if you are a subsidiary) **OR**,
2. Your most recent audited financial statement along with a copy of your parent company's audited financial statement, if applicable **OR**,
3. If you are a Bank or Savings and Loan, you may submit your call report(s) covering all four quarters of your fiscal year along with your holding company's audited financial statement.
4. All financials submitted must include Balance Sheet, Statements of Income and Expenses, Cash Flow Statements, Report of Compliance with specific requirement applicable to HUD Program Transactions, Report on the Internal Control Structure and Computation of Compliance with FHA Net Worth Requirements.

Should you have any questions regarding this matter, please contact your sales representative at (800) 237-8463.

# U.S. Bank National Association

## CORRESPONDENT MORTGAGE PURCHASE AGREEMENT

This Agreement, entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between U.S. Bank National Association ("U.S. Bank"), having their principal mortgage banking office located at 1550 American Blvd. E., Suite 880, Bloomington, Minnesota, 55425, and \_\_\_\_\_  
(hereinafter referred to as "Seller") having its principal office located at \_\_\_\_\_

From time to time pursuant to this Agreement, Seller shall sell and U.S. Bank shall buy mortgage loans on residential real estate (hereinafter collectively called the "Mortgage Loans" and individually a "Mortgage Loan"). This Agreement shall govern the sale and transfer of such Mortgage Loans by Seller to U.S. Bank and each such Mortgage Loan shall be subject to the warranties, representations, and agreements set forth herein, subject, however, to the terms and conditions of any separate written offering or commitment letters applying to the Mortgage Loans.

All future purchases of Mortgage Loans by U.S. Bank shall be governed by the terms contained herein unless the parties shall agree in writing before or at the time such purchases are made. The purchase price and any servicing release premium paid for each Mortgage Loan shall be established by written agreement between the parties. The terms and conditions of any separate offering or commitment letter signed by the parties hereto and pursuant to which U.S. Bank shall agree to buy and Seller shall agree to sell any Mortgage Loan shall survive and be deemed to be a part of this Agreement. In this Agreement, the term "Buyer" shall refer to U.S. Bank. This Agreement, and any and all representations, warranties, or covenants of Seller hereunder, may be enforced against Seller by U.S. Bank and/or their successors and assigns.

**1. LOANS ELIGIBLE FOR PURCHASE:** Seller may offer for sale to Buyer eligible VA, FHA, RHS, or Conventional Mortgage Loans. All such Mortgage Loans shall be sold with servicing released to Buyer. All such Mortgage Loans shall be originated and closed according to standard agency regulations as established, and amended from time to time, by the Federal National Mortgage Association (FNMA), the Federal Home Loan Mortgage Corporation (FHLMC), the Government National Mortgage Association (GNMA), the Federal Housing Administration (FHA), the Veterans Administration (VA), and/or the US Department of Agriculture Rural Housing Service (RHS), formerly Farmers Home Administration (FmHA). It is hereby understood and agreed, for purposes of this Agreement, that the aforementioned standard agency regulations are incorporated in and made a part hereof. All Mortgage Loans offered by Seller must be secured by residential first-lien mortgages or deeds of trust. Seller shall be responsible for ensuring the compliance of Mortgage Loans sold hereunder with the applicable agency regulations which may exist at the time of purchase.

Any Loans specifically identified as being non-conforming (Jumbo), shall be originated and closed in accordance with the specifications as outlined in the Correspondent Lending Manual.

**2. PAYMENT FOR LOANS:** Payment for Loans will be made following receipt and review of closing documentation, including evidence of compliance with underwriting requirements, FHA, VA and/or RHS requirements, rules and regulations, as well as all Federal and State statutes, rules and regulations, including but not limited to the Federal Truth-In-Lending Act, the Equal Credit Opportunity Act, the Fair Housing Act and the Real Estate Settlement Procedures Act. Payment for Loans will be made via the Federal Reserve Wire Transfer System to the party directed by the Seller. Any amounts collected by Seller for maintenance or improvements to the property, for the escrow of taxes or insurance not yet due, or for other reserves shall be deducted from the wire amount.

**3. DELIVERY OF DOCUMENTS:** Seller agrees to do all acts necessary to perfect title to the Mortgage Loans to Buyer and shall sell, assign and deliver to Buyer, with respect to the purchase of each such Mortgage Loan, the documents set forth in the Correspondent Lending Manual, all subject to the approval of Buyer and its legal counsel as to proper form and execution. No later than ninety (90) days from the date of purchase Seller shall deliver to Buyer the required final documentation. Should Seller fail to satisfy, within the aforesaid ninety (90) days, the requirements for document delivery with respect to any Mortgage Loan purchased, Buyer reserves the right to withhold service release premiums on subsequent Mortgage Loan purchases if required documentation is not received in a timely manner. Buyer's right to withhold payment of service release premiums shall be in addition to and not in lieu of Buyer's other remedies hereunder including the remedy of repurchase as provided in Paragraph 7 hereof.

**4. GENERAL REPRESENTATIONS, WARRANTIES AND COVENANTS OF SELLER:**

Seller hereby represents, warrants, and covenants as follows:

- a) Seller is and will continue to be duly organized, validly existing, and in good standing under the laws of the jurisdiction in which it was incorporated or organized, as applicable, and has and will continue to maintain all licenses, registrations, and certifications necessary to carry on its business as now being conducted, and is and will continue to be licensed, registered, qualified, and in good standing in each state where property securing a Mortgage Loan is located if the laws of such state require licensing, registration or qualification in order to conduct business of the type conducted by Seller; and
- b) Seller has and will maintain the full corporate or partnership power and authority to execute and deliver the documents contemplated by this Agreement and to perform in accordance with each of the terms thereof and the terms of the Correspondent Manual. The execution, delivery and performance of this Agreement by Seller and the consummation of the transactions contemplated hereby have been duly and validly authorized. This Agreement is a legal, valid, binding and enforceable obligation of Seller, and all requisite corporate or partnership action has been taken by Seller to make this Agreement valid and binding upon Seller and enforceable in accordance with its terms; and
- c) Seller has the ability to perform each and every obligation and/or requirement imposed on Seller pursuant to this Agreement, and no offset, counterclaim, or defense exists to the full performance by Seller of the requirements of this Agreement; and
- d) Neither the Correspondent Application, this Agreement, nor any statement, report or other document furnished or to be furnished by Seller pursuant to this Agreement contains any untrue statement of material fact or omits to state a material fact necessary to make the statements contained herein or therein not misleading; and
- e) Seller has complied with, and has not violated any law, ordinance, requirement, regulation, rule or other order applicable to its business or properties, the violation of which might adversely affect the operations or financial condition of Seller to consummate the transactions contemplated by this Agreement; and
- f) All financial statements required to be submitted by Seller to Buyer have been prepared in accordance with Generally Accepted Accounting Practices applied on a consistent basis by an independent Certified Accountant or other individual acceptable to Buyer; and
- g) Seller has established procedures with respect to real estate appraisers and appraisals in accordance with the requirements described in the Correspondent Manual, and Title IX of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 ("FIRREA") and implementing regulations, Seller maintains a list of approved appraisers (the "Approved Appraisers") who satisfy the Buyer's standards for appraiser independence as set forth in the Correspondent Manual, and Seller shall, upon Buyer's request, provide Buyer with any information Seller has in its possession regarding any appraiser or appraisal; and

- h) Seller shall at all times comply with all federal, state, and local laws, regulations, and/or ordinances applicable to it and, in particular, but without limitation, shall not, at any time, (i) discourage or dissuade any person from applying for a Mortgage Loan (ii) offer or negotiate different interest rates or terms, or (iii) treat any applicant or potential applicant differently, on the basis of that person's race, sex, religion, national origin, age, color, disability, or marital status; or the fact that the person derives all or part of his/her income from any public assistance program; or the fact that the person has in good faith exercised any right under the Federal Consumer Credit Protection Act or any state anti-discrimination law; or based upon any other characteristic of the person which is defined to be a prohibited basis for credit discrimination under any state or federal law or regulation.

## **5. SELLER'S REPRESENTATIONS, WARRANTIES, AND COVENANTS REGARDING MORTGAGE LOANS**

With respect to every Mortgage Loan offered by Seller to Buyer hereunder, Seller represents, warrants, and covenants as follows:

- a) The security agreement, deed of trust or other document securing the Mortgage Loan (the "Mortgage") has been executed, on the date stated in the Mortgage (the "Closing Date") by any and all person(s) necessary to create and convey a valid and legally enforceable first lien obligation in favor of the Seller with respect to the Mortgage Note that is superior to all other liens or other claims, and the note evidencing the Mortgage Loan (the "Mortgage Note") is payable to Seller as payee and has been duly executed by the person or person(s) (the "Mortgagor", whether one or more) to whom, or for whose benefit, Seller has disbursed the entire proceeds of the Mortgage Note and who is/are the true and actual person(s) who submitted an application to Seller and who have been approved by Seller and/or Buyer to receive the Mortgage Loan represented by the Mortgage Note and Mortgage; and
- b) The sale of the Mortgage Loan is in Seller's ordinary course of business and will not result in (i) the breach of any term or provision of Seller's charter or bylaws, (ii) the breach of any term or provision of, or conflict with or constitute a default of or result in the acceleration of any obligation under any agreement, indenture, loan or credit agreement, or other instrument to which Seller or any of its property is subject, or (iii) the violation of any law, rule, regulation, order, judgment, or decree to which Seller or any of its property is subject; and
- c) The entire proceeds of the Mortgage Loan was used by the Mortgagor to finance or refinance the purchase or initial construction of the one to four family residential dwelling permanently affixed to that real property described in the Mortgage (the "Mortgaged Property"), and the Mortgaged Property is or will be used by the Mortgagor as his/her/their principal or secondary residence or for such other purpose as is permitted by investor guidelines or under the Correspondent Lending Manual; and
- d) The Mortgage contains enforceable provisions that give the Mortgage holder rights and remedies to realize against the Mortgaged Property as expeditiously as applicable law allows, including, without limitation, the power of sale; and
- e) Seller has good and merchantable title to the Mortgage Loan as of the Closing Date and the assignment of the Mortgage Loan from Seller to Buyer is valid, sufficient, enforceable and conveys good title to such Mortgage Loan to Buyer, free and clear of any liens, claims, or encumbrances upon such Mortgage Loan; and Seller has not effected any assignment, sale or hypothecation of the Mortgage Loan, except in favor of Buyer; and
- f) Seller will execute and deliver to Buyer all instruments necessary to convey to Buyer all rights, titles and interests in and to each Loan and all documents evidencing insuring, guaranteeing or securing each Loan; and
- g) All taxes and governmental assessments that became due and owing prior to the Closing Date in respect to the Mortgaged Property have been paid; and

- h) An escrow of funds in an amount sufficient, in accordance with industry standards or any applicable HUD regulations, to cover a portion of one (1) calendar year's payments of taxes and governmental assessments, hazard insurance and, if applicable, mortgage insurance premiums or guaranty fees on the Mortgaged Property, has been established; and
- i) The unpaid principal balance of the Mortgage Loan is as stated; no part of the Mortgaged Property has been released from the lien securing each Loan; the terms of the Loan have in no way been changed or modified; and the Loan is current and not in default and no condition or circumstance exists that, with the passage of time, would constitute a default; and
- j) Seller is the sole owner of each Mortgage Loan to be sold under this Agreement and has the requisite power and authority to sell, transfer, and assign such Mortgage Loan on the terms herein set forth, free and clear of all liens, claims and encumbrances upon such Mortgage Loan; and
- k) Each Mortgage Loan is of acceptable quality and is eligible for sale to the Federal National Mortgage Association, Government National Mortgage Association, Federal Home Loan Mortgage Corporation, or non-conforming (Jumbo) Investor whose Mortgage Loan eligibility specifications are outlined in the Correspondent Manual and whose decision regarding acceptable quality and eligibility is determinative; and
- l) No predatory or deceptive lending practices, including but not limited to the extension of credit without regard for the Mortgagor's ability to repay the Mortgage Loan, and/or the extension of credit which has no apparent benefit to the Mortgagor were employed in connection with the Mortgage Loan application. Each Mortgage Loan application is in compliance with the anti-predatory lending eligibility requirements of the Correspondent Manual and all applicable agency's or investor's rules and regulations; and
- m) The Mortgage Loan was properly closed in accordance with the requirements of the Correspondent Manual, and all applicable agencies rules and regulations as determined by U.S. Bank and/or the applicable agency. The Mortgage Loan complies, as determined by U.S. Bank and/or the applicable agency, with all applicable federal and state laws, rules, and regulations, as from time to time amended, including but not limited to the following: all applicable safety and soundness regulatory standards governing national banks, applicable usury limitations, the applicable laws and regulations governing lending, federal, state and local predatory lending and unfair and deceptive practices laws, Home Ownership Equity and Protection Act, Bank Secrecy Act, Anti Money Laundering regulations, the Real Estate Settlement Procedures Act, the Equal Credit Opportunity Act, the Flood Disaster Protection Act, the Fair Housing Act, the Truth-in-Lending Act of 1968, the Depository Institutions Deregulation and Monetary Control Act of 1980, the Garn-St. Germain Depository Institutions Act of 1982 and all applicable regulations issued pursuant thereto; and that all conditions as to the validity, transferability and continuation of any FHA Insurance Contract, VA Loan Guaranty Certificate, or RHS Loan Note Guaranty if any, as required by the National Housing Act of 1934, the Servicemen's Readjustment Act of 1944, as amended, or the Cranston-Gonzales National Affordable Housing Act of 1990, and the rules and regulations thereunder, or by the FHA, VA or RHS have been properly satisfied, and said FHA Insurance Contract, FHA Commitment, VA Loan Guaranty Certificate or right to obtain a VA Loan Guaranty Certificate, or RHS Loan Note Guaranty, on each Mortgage Loan will be valid and enforceable by Buyer; and
- n) The Mortgagor has duly executed and delivered appropriate evidence indicating that the Mortgagor has received any and all disclosure materials as required by applicable law and regulations; and
- o) The full original principal amount of each Mortgage Loan has been advanced to the Mortgagor, either by direct payment, or by payment made on the Mortgagor's request or approval; and all costs, fees, and expenses incurred in making, closing and recording the Mortgage Loan, have been paid; and
- p) There is in force a paid-up Mortgagee Policy of Title Insurance on the Mortgage Loan in an amount not less than the outstanding principal balance of the Loan, affirming that the Mortgagor has fee simple, indefeasible title to the Mortgaged Property and insuring the validity and priority of Seller's first lien

securing the Mortgage Loan, and such Mortgagee Policy of Title Insurance does not contain any exceptions to or defects in title not otherwise disclosed to and approved in advance by Buyer in writing; and

- q) There is a valid paid-up hazard insurance policy in force, at the time of the purchase of the Mortgage Loan by Buyer issued or written by an insurance company with a Best's Key Rating Guide financial size category of Class III or better, in an amount equal to at least the full replacement value of the improvements on the property secured by the Mortgage. The policy shall be of a type at least as protective as fire and extended coverage and shall contain a mortgagee clause and loss payable clause to the Buyer in the form of the standard mortgage clause which clause shall protect the mortgagee's interest in the insured property separate and apart from the mortgagor's interest in order that the mortgagee shall not subject to any act, neglect, omission or misrepresentation of the insured which might void or breach coverage under the policy. Also, the policy shall contain suitable provisions for payment on all present and future mortgages on such premises in order of precedence. For properties in a special flood hazard area, there is in force a paid-up flood insurance policy. For properties located in a condominium or PUD project, Seller will provide a certificate of insurance naming Buyer as the insured plus a certified true copy of the Master Hazard and Liability Policy; and
- r) All documents submitted or delivered are genuine, and all other representations as to each Mortgage Loan sold are true and correct and meet the requirements and specifications of all parts of this Agreement and the Correspondent Manual; and
- s) The Mortgage, Mortgage Note, and all other Mortgage Loan documents executed by the Mortgagor create legal, valid and binding obligations of the Mortgagor, enforceable in accordance with their terms, there exists as of the Closing Date no right of offset, defense, right of rescission, homestead right, or counterclaim with respect to the Mortgage Note or any of the other documents, and there is no pending or threatened litigation that might affect the validity or enforceability of the Mortgage Note or the Mortgage; and
- t) The Mortgaged Property is either free of damage and in good repair or the proceeds of the Mortgage Loan will be used to purchase and rehabilitate the Mortgaged Property, there is no proceeding pending or threatened for a partial or total condemnation or partition of the Mortgaged Property, and either there are no mechanic's or similar liens or claims that have been filed for work, labor or material (and no rights are outstanding that under applicable law could give rise to such a lien or claim) affecting the Mortgaged Property or such liens and claims have been insured against under the final Mortgagee Policy of Title Insurance; and
- u) As of the Closing Date, to the best of Seller's knowledge, after reasonable inspection, the mortgaged property was not affected by any condition arising from the presence of any dangerous, toxic or hazardous pollutants, chemicals, wastes, or substances; and
- v) All improvements on the Mortgaged Property, including new construction, have been or will be completed in full compliance with any applicable laws, regulations, or building codes and standards, and that the improvements comply with the laws, regulations, or building codes and standards in effect; and
- w) With respect to each appraisal delivered to Buyer in connection with a prospective Mortgage Loan, the appraisal has been prepared by an Approved Appraiser, Seller has reviewed the appraisal and found the appraisal acceptable in accordance with the standards set forth in the Correspondent Manual, and Seller shall, upon Buyer's request, provide Buyer with any information Seller has in its possession regarding the appraiser or appraisal; and
- x) In addition to those representations, warranties, and covenants specifically set forth above, Seller makes all representations, warranties, and covenants expressed by Seller to Buyer orally or in writing with respect to any particular Mortgage Loan, and expressly makes any and all additional representations, warranties, or covenants that are normally or customarily made in connection with a mortgage loan of the same type and terms as the Mortgage Loan.

y) None of the Mortgage Loans is (i) subject to, covered by or in violation of the Home Ownership and Equity Protection Act of 1994 (“HOEPA”) or (ii) classified as “high cost”, “covered”, “high risk home”, “threshold”, or “predatory” loans under any other applicable state, federal or local law, including any predatory or abusive lending laws (or similarly classified loans using different terminology under a law imposing heightened scrutiny or additional legal liability for residential mortgage loans having high interest rates, points and/or fees) or (iii) in violation of any state law or ordinance comparable to HOEPA.

**6. CORRESPONDENT MANUAL:** In addition to all of the obligations, agreements, representations and warranties specifically set forth herein, Seller hereby agrees to perform all obligations and agreements, make all representations and warranties, and comply with all the provisions of the Correspondent Manual (including any policies and procedures contained in program announcements, memoranda, or other similar communication) delivered to Seller, as may be modified or amended from time to time. Modifications and additions to the Correspondent Manual shall become effective upon the date received by Seller. All provisions of the Correspondent Manual are hereby incorporated into this Agreement by reference.

**7. REPURCHASE OF LOANS:** Seller hereby agrees to repurchase any Mortgage Loan sold to Buyer at any time upon the occurrence of any of the following events:

- a) Any false statement, misstatement, or act of omission of material fact contained in the Mortgage Loan documentation resulting from Seller's negligence or failure to exercise due diligence as disclosed by actual inspection by Buyer or its representative, or otherwise disclosed; or
- b) Seller fails to obtain FHA insurance, VA or RHS guaranty, private mortgage insurance, or if such insurance or guaranty lapses or for any reason becomes unavailable, as a result of any negligent act or omission by Seller, or the failure by Seller to obtain such insurance or guaranty within ninety (90) days from the date of purchase; or
- c) Buyer is required to repurchase any Loan sold by it to GNMA, FNMA, FHLMC, or any other investor, because the investor, GNMA, FNMA, or FHLMC determined that the loan is not of acceptable quality or was ineligible for purchase as a result of a violation of the investor, GNMA, FNMA, FHLMC, or U.S. Bank's Seller/Service Guide and/or Correspondent Manual; or
- d) Any representation or warranty made by Seller under this Agreement or the Correspondent Manual with respect to any Mortgage Loan shall, in the reasonable opinion of Buyer, be, in whole or in part and with or without knowledge of Seller, false at the time when made by Seller or become false upon the occurrence of subsequent events; or
- e) Any material fraud, misrepresentation or act of omission with respect to the information submitted on a particular Mortgage Loan is determined to exist by Buyer or another investor. This includes, but is not limited to, Mortgagor or other third party fraud or misrepresentation, and any misrepresentation of Mortgagor's income, funds on deposit, or employment, or of the occupancy status of the Mortgaged Property; or
- f) Seller's breach of any covenant or obligation to Buyer with respect to the Mortgage Loan under this Agreement or the Correspondent Manual, specifically including, without limitation, Seller's obligations under Section 3,4, or 5 hereof.

The repurchase price for any Mortgage Loan that Seller is required to repurchase from Buyer shall be an amount equal to its then unpaid principal balance of the Mortgage Loan on the date of repurchase, plus accrued interest, any servicing release premium paid, and direct expenses (including attorney's fees) incurred by Buyer for any actions taken by it concerning, as a result of, or in connection with, any of the events or circumstances set forth herein as cause for repurchase. Buyer's exercise of its right to have Seller repurchase any Mortgage Loan hereunder shall be in addition to, and not in lieu of, any other rights or remedies which Buyer may have against Seller hereunder or under applicable law.

**8. INDEMNIFICATION:** Seller shall protect, indemnify, and hold Buyer harmless from and in respect to, any and all losses, liabilities, reasonable costs, and expenses, including attorneys' fees, that may be incurred by Buyer with respect to, or proximately resulting from any breach of any representation, warranty, or covenant of Seller hereunder. Seller shall protect, indemnify, and hold Buyer harmless from and in respect to, any and all losses, liabilities, reasonable costs, and expenses, including attorneys' fees, that may be incurred by Buyer with respect to Seller's refusal to repurchase a loan that GNMA, FNMA, FHLMC, or any other investor has determined to be ineligible for purchase or not of acceptable quality. Buyer shall be entitled to rely upon Seller as assembler and preparer of all Mortgage Loan documents, and is under no duty whatsoever to investigate or confirm any of the information set forth therein as to its honesty, accuracy, or completeness. Seller hereby agrees to indemnify and hold Buyer harmless from any claim, loss or other damage to Buyer including reasonable attorneys fees resulting in whole or in part from any inaccuracy or incompleteness in the Mortgage Loan documents or any act or omission by Seller, its agents and employees, including but not limited to failure to comply with applicable state, federal and local statutes or regulations. To the extent Seller, its agents or employees, commits an actual wrong, or makes some error or omission in the preparation of any Mortgage Loan or its documents and as a result thereof, and based thereon, Buyer commits an act or omission for which it becomes liable to the Mortgage(s) or any third party and/or a claim or cause of action is instituted against Buyer, Seller shall and hereby agrees to indemnify and hold Buyer harmless from any such loss or damage, including reasonable attorneys fees, resulting therefrom.

**9. MARI and MIDEX Release:** Seller understands that Buyer performs quality control reviews of the Mortgage Loans that Seller submits to Buyer for purchase. Seller hereby consents to the release of information about any loan application that is believed to contain misrepresentations and/or irregularities. Seller 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 Seller or its employees are implicated in the misrepresentations and/or irregularities. Seller hereby releases and agrees to hold harmless Buyer, Mortgage Asset Research Institute, Inc. ("MARI"), all Mortgage Industry Data Exchange ("MIDEX") subscribers, and any trade associations that endorse the MIDEX system from any and all liability for damages, losses, costs, and expenses that may arise from the reporting or use of any information submitted by Buyer or any other MIDEX subscriber to MARI, recorded in the MIDEX system, and used in any way by Buyer or any other MIDEX subscriber.

**10. REFUND OF SERVICE RELEASE PREMIUMS:**

- a) If any Mortgage Loan is prepaid within four (4) months following the date of purchase by Buyer, Seller shall refund to Buyer all service release premiums received from Buyer with respect to that Mortgage Loan.
- b) If any Mortgage Loan, underwritten by Seller, becomes delinquent during the first three (3) scheduled monthly payments that are payable to the Buyer, and the Mortgage Loan is not brought current by the borrower within 90 days of such delinquency, Seller shall refund to Buyer all service release premiums received by Seller from Buyer with respect to that Mortgage Loan, additionally, a processing fee of \$1,000 on conventional loans and \$2,500 on government loans shall be due from Seller and payable to Buyer.

**11. NOTICES:** Any notice provided for herein shall be sufficient if sent by first class United States mail, postage prepaid, addressed as follows:

If to Buyer: U.S. Bank National Association  
4801 Frederica Street  
Owensboro, KY 42301  
Attn: James K. Oliver

If to Seller: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_

Either party may change its address for purposes hereof by giving notice to the other party.

- 12. FINANCIAL STATEMENTS AND RIGHT TO AUDIT:** Seller agrees to provide annual audited financial statements (including balance sheet, statements of income and expenses, cash flow statements, Report of Compliance with Specific Requirements Applicable to HUD Program Transactions, Report on the Internal Control Structure and Computation of Compliance with FHA Net Worth Requirements), to Buyer within ninety (90) days after the close of its fiscal year prepared by independent certified public accountants in accordance with generally accepted accounting principles. Seller will also submit copies of current Mortgage Licenses (where applicable) and a copy of a current Fidelity Bond and E & O Insurance Policy. If Buyer is the Sponsor of the Seller under the FHA Loan Correspondent program, Seller agrees to allow Buyer access to their office facilities and loan records during normal business hours for an on-site compliance audit in accordance with HUD quality control requirements.
- 13. INSURANCE:** Seller shall maintain in full force Errors and Omissions Insurance and a Fidelity Bond, Mortgage Banker Bond or Mortgage Originator Policy in such amounts as required by HUD or as Buyer may reasonably require to indemnify it from any loss or damage incurred in connection with this Agreement. Buyer must be named as a “loss payee” and must have the right to file a claim directly with the insurer if Seller fails to file a claim for a covered loss that Buyer incurs. The insurer must agree to notify Buyer at least 30 days before it cancels, reduces or modifies the Seller’s coverage for any reason or within 10 days after it receives a request from Seller to cancel or reduce any coverage.
- 14. RELATIONSHIP OF THE PARTIES:** Buyer and Seller hereby agree that neither this Agreement nor any purchase of Mortgage Loans pursuant hereto shall constitute any agency relationship, legal representation, joint venture, partnership or employment. Buyer and Seller agree that neither party is in any way authorized to make any contract, agreement, warranty, or representation, or to create any obligation, express or implied, on behalf of the other.
- 15. EVENTS OF DEFAULT:** Each of the following shall constitute an Event of Default on the part of Seller under this Agreement: (i) any breach by Seller of any of Seller’s representations, warranties, or covenants set forth in this Agreement or the Correspondent Manual; (ii) the failure of Seller to perform any of its obligations under this Agreement or the Correspondent Manual; (iii) the occurrence of any act of insolvency or bankruptcy concerning Seller; (iv) Seller’s failure to meet any capital, leverage, or other financial standard imposed by any applicable regulatory authority, warehouse lender, or in Buyer’s sole opinion, any material adverse change occurs in the financial condition of Seller; (v) any federal or state regulatory authority or licensing agency shall cancel, rescind, or fail to renew Seller’s license or institute any action against Seller for fraud or criminal conduct.
- 16. RIGHT OF OFFSET:** Buyer shall have the right to deduct any penalties, fees, taxes, or other charges or obligations of any kind owed by Seller to Buyer from the amount to be paid for any Mortgage Loan purchased by Buyer hereunder.
- 17. ENTIRE AGREEMENT:** This Agreement and the Correspondent Manual contain the entire agreement of the parties with respect to the subject matter hereof, and there are no representations, inducements, or other provisions other than those expressed in writing and included herein. All changes, addendum, additions, or deletions to this Agreement must be made in writing and signed by each of the parties hereto. This Agreement restates, and supersedes any and all prior Mortgage Purchase Agreements between the parties.

- 18. SURVIVAL OF PROVISIONS; SEVERABILITY:** All of the covenants, agreements, representations and warranties made herein by the parties hereto shall survive and continue in effect after the termination of the Agreement or the consummation of the transactions contemplated hereby. Any provisions of the Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidation of the remaining portions hereof or affecting the validity or enforceability of such provision in any other jurisdiction. This Agreement may be executed in counterparts, all of which taken together shall constitute one and the same instrument.
- 19. ASSIGNMENT:** This Agreement may not be assigned or transferred by Seller without the prior written consent of Buyer.
- 20. AMENDMENT/TERMINATION:** Buyer shall have the right to amend this Agreement with written notice to the Seller. At Buyer's request, Seller shall acknowledge changes to the Agreement in writing, but Seller's failure to provide written acknowledgment of any amendment shall not impair the enforceability of such amendment. This Agreement may also be terminated with respect to future purchases of Mortgage Loans by either party at any time by giving written notice of termination to the other party. Upon the occurrence of any Event of Default as described in Paragraph 15(i), 15(ii), 15(iv) or 15(v) hereof, Buyer may either terminate this Agreement upon notice to Seller or, without affecting any other rights or remedies available to Buyer under this Agreement or at law or in equity, immediately suspend all registrations and lock-ins and may refuse to fund any or all Mortgage Loans, pending the cure, to Buyer's satisfaction, of such Event of Default. Upon the occurrence of an Event of Default under Paragraph 15(iii), this Agreement shall terminate automatically. Termination of this Agreement shall not in any respect change, alter, or modify the obligations of Buyer and Seller with respect to Mortgage Loans that have been purchased by Buyer from Seller prior to the date of such termination.
- 21. GOVERNING LAW; INTERPRETATION:** It is mutually understood and agreed that this Agreement shall be governed by the laws of the State of Minnesota as to both interpretation and performance. All terms of this Agreement shall be construed and interpreted according to their plain meaning and no term shall be more strictly construed against Buyer merely because Buyer has drafted this Agreement.
- 22. CONFIDENTIALITY:**
- a) Confidential Information. Each party hereto (as "Recipient") may have access to and each party hereto (as "Owner") may provide to the other party, information that Owner regards as confidential or proprietary. "Confidential Information" includes, but is not limited to, the following information, whether now in existence or hereafter created: (a) any and all information of or about U.S. Bank's customers of any nature whatsoever, and specifically including without limitation, the fact that someone is a customer or prospective customer of U.S. Bank or Facility, all lists of customers, former customers, applicants and prospective customers and all personal or financial information relating to and identified with such persons ("Customer Information"); (b) all business, financial, technical, and pricing information of Owner and any of Owner's vendors; (c) Owner's marketing philosophy and objectives, promotions, markets, materials, financial results, technological developments and other similar proprietary information and materials; (d) all information marked as "confidential" or similarly marked, or information that Recipient should, in the exercise of reasonable business judgment, recognize as confidential; and (e) all notes, memoranda, analyses, compilations, studies and other documents, whether prepared by Owner, Recipient or others, which contain or otherwise reflect Confidential Information. Without limitation the terms of this Agreement and shall be Confidential Information of U.S. Bank.
- b) Exceptions. Except for Customer Information, the term "Confidential Information" excludes any portion of such information that Recipient can establish to have been: (a) publicly known without breach of this Master Agreement; (b) known by Recipient without any obligation of confidentiality, prior to disclosure of such Confidential Information; (c) received in good faith from a third-party source that to Recipient's

reasonable knowledge rightfully disclosed such information; or (d) developed independently by Recipient without reference to Owner's Confidential Information. If Recipient is required by a court or governmental agency having proper jurisdiction to disclose any Confidential Information, Recipient must promptly provide to Owner notice of such request to enable Owner to seek an appropriate protective order.

- c) Security and Use. Each party must establish and maintain data security policies and procedures designed to ensure the following: (a) security and confidentiality of Customer Information; (b) protection against anticipated threats or hazards to the security or integrity of Customer Information; and (c) protection against the unauthorized access or use of Customer Information. Confidential Information must be held in confidence and disclosed only to those employees or agents whose duties reasonably require access to such information. Recipient may use the Confidential Information only as necessary for Recipient's performance hereunder. Recipient must protect Owner's Confidential Information using at least the same degree of care, but no less than a reasonable degree of care, to prevent the unauthorized use, disclosure or duplication (except as required for backup systems) of such Confidential Information as Recipient uses to protect its own confidential information of a similar nature. Recipient's limited right to use the Confidential Information expires upon expiration or termination of this Agreement for any reason. Recipient's obligations of confidentiality and non-disclosure survive termination or expiration for any reason of this Agreement.
- d) Return or Destruction. Recipient is required to develop appropriate security measures for the proper disposal and destruction of Confidential Information. Upon expiration of Recipient's limited right to use the Confidential Information, Recipient must return all physical embodiments thereof to Owner or, with Owner's permission, Recipient may destroy the Confidential Information (except for any backups thereof).
- e) Disclosure. If disclosure of Confidential Information to third parties is required or allowed under this Master Agreement, Recipient must ensure that such third parties have express obligations of confidentiality and non-disclosure substantially similar to Recipient's obligations hereunder. Liability for damages because of disclosure of Confidential Information by any such third parties must be borne by Recipient. If Recipient or any of its representatives or agents breaches the covenants set forth in this Master Agreement as to Confidential Information, irreparable injury may result to Owner or third parties entrusting Confidential Information to Owner. Therefore, Owner's remedies at law may be inadequate and Owner shall be entitled to seek an injunction to restrain any continuing breach. Notwithstanding any limitation on Recipient's liability, Owner shall further be entitled to any other rights and remedies that it may have at law or in equity.
- f) Security Breach. If there is any actual or suspected theft of, accidental disclosure of, loss of, or inability to account for any Confidential Information by Recipient and/or any unauthorized intrusions into Recipient's facilities or secure systems (collectively "Security Breach"), Recipient must immediately (a) notify Owner (b) estimate the Security Breach's effect on Owner (c) specify the corrective action to be taken, and (d) investigate and determine if an Security Breach has occurred. If, based upon Recipient's investigation, Recipient determines that there has been an actual Security Breach, Recipient must promptly notify Owner and must promptly investigate the scope of the Security Breach, and must promptly take corrective action to prevent further Security Breach. Recipient must, as soon as is reasonably practicable, make a report to Owner including details of the Security Breach (including Customer(s)' identities and the nature of the information disclosed) and the corrective action Recipient has taken to prevent further Security Breach. Recipient must, in the case of a Security Breach, cooperate fully with Owner to notify Owner's Customer(s) as to the fact of and the circumstances of the Security Breach of the Customer's particular information. Additionally, Recipient must cooperate fully with all government regulatory agencies and/or law enforcement agencies having jurisdiction and authority for investigating a Security Breach and/or any known or suspected criminal activity. Except as may be strictly required by applicable law, Recipient agrees that it will not inform any third party of any such Security Breach without Owner's prior written consent; however, if such disclosure is required by

applicable law, Recipient agrees to work with Owner at no additional cost to Owner regarding the content of such disclosure.

**23. AGREEMENT TO PAY ATTORNEYS' FEES:** If it is determined in a judicial proceeding that the Seller has failed to perform under any provision of this Agreement or if the Buyer shall employ attorneys or incur other expenses for the enforcement, performance, or observance of the terms of this Agreement on the part Seller, then the Buyer shall be reimbursed by the Seller on demand for reasonable attorneys' fees and other out-of-pocket expenses.

**24. ACCEPTANCE:** This Agreement shall become binding upon acceptance and execution by Buyer.

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

Seller: \_\_\_\_\_

Buyer: **U.S. Bank National Association**

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

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

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

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

Title: \_\_\_\_\_

Title: \_\_\_\_\_



### CONTACT PERSON CHECKLIST

Correspondent: \_\_\_\_\_

Correspondent #: \_\_\_\_\_ (U.S. Bank will assign upon approval)

Correspondent Phone # \_\_\_\_\_ Fax # \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Primary Contact: \_\_\_\_\_ Phone: \_\_\_\_\_  
Email: \_\_\_\_\_  
Fax: \_\_\_\_\_

Marketing/Pricing: \_\_\_\_\_ Phone: \_\_\_\_\_  
Email: \_\_\_\_\_  
Fax: \_\_\_\_\_

Status of Pipeline: \_\_\_\_\_ Phone: \_\_\_\_\_  
Email: \_\_\_\_\_  
Fax: \_\_\_\_\_

Closing Supervisor: \_\_\_\_\_ Phone: \_\_\_\_\_  
Email: \_\_\_\_\_  
Fax: \_\_\_\_\_

Post Closing: \_\_\_\_\_ Phone: \_\_\_\_\_  
Email: \_\_\_\_\_  
Fax: \_\_\_\_\_

Processor Supervisor: \_\_\_\_\_ Phone: \_\_\_\_\_  
Email: \_\_\_\_\_  
Fax: \_\_\_\_\_

Receptionist: \_\_\_\_\_ Phone: \_\_\_\_\_  
Email: \_\_\_\_\_  
Fax: \_\_\_\_\_

Whose "Attention" to send Memos/Updates: \_\_\_\_\_

**PLEASE COMPLETE THIS FORM AND RETURN IT WITH THE COMPLETED CORRESPONDENT APPLICATION.**



**Upon completion of the application package, please return it to:**

**U.S. Bank Home Mortgage  
Attn: (Account Representatives Name)  
3501 Del Prado Blvd., Suite 308  
Cape Coral, FL 33904**