

CORRESPONDENT AGREEMENT

THIS CORRESPONDENT AGREEMENT (The “Agreement”) is entered into as of this _____ day of _____, 20___, by and between NTFN, Inc. dba Premier Nationwide Lending (“PNL”), a Texas Corporation having its principal office at 5301 Village Creek Drive, Suite B, Plano, Texas 75093, and _____ (“Correspondent”) having its principal office at the address listed on the signature page of this Agreement.

WHEREAS, Correspondent engages in the business of taking applications for residential mortgage loans, aiding and assisting borrower in pre-qualification for mortgage loans, recommending and choosing a mortgage product; and closing said loans.

WHEREAS, from time to time, PNL desires to act as a lender for such mortgage loans and to underwrite and purchase such mortgage loans, subject to the terms of this Agreement.

NOW THEREFORE, for mutual consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, agree as follows:

ARTICLE I: DEFINITIONS & RULES OF CONSTRUCTION

1.1 DEFINITIONS

Agency: The Federal Housing Administration (“FHA”), or any other federal or state agency which sponsors mortgage loans.

Applicable Requirements: All of the following: (i) all contractual obligations of Correspondent (including, without limitation, those contractual obligations contained in this Agreement and/or in any of the other Program Documents, or in any agreement with any insurer, or in any of the Mortgage Loan Documents) for which Correspondent was or is responsible; (ii) all applicable federal, state and local legal and regulatory requirements (including statutes, rules, regulations and ordinances) binding upon Correspondent; (iii) all other applicable requirements and guidelines of each governmental and quasi-governmental agency, board, commission, instrumentality and other governmental body or office having jurisdiction; (iv) all other applicable judicial and administrative judgments, orders, stipulations, awards, writs and injunctions; (v) the reasonable and customary mortgage practices of prudent mortgage Correspondent that originate Mortgage Loans of the same type as the Mortgage Loans in the jurisdictions in which the related Mortgaged Properties are located; and (vi) to the extent that they require a standard of care that is not lower than that required by all foregoing, the standards Correspondent employs and exercises in originating and administering Mortgage Loans for its own account (if applicable).

Guidelines: All policies, procedures, and requirements of PNL issued from time to time by PNL electronically or in writing and applicable to the registration, underwriting, and purchase of Mortgage Loans pursuant to this Agreement. The Guidelines can be modified in part or in whole at any time by PNL immediately upon notice to, Correspondent which notice may include publication of changes by electronic means including, but not limited to posting to an applicable PNL website. The guidelines, and all revisions thereto, are expressly incorporated herein by this reference and made a part of this Agreement in all respects.

Knowledge: That which is actually known to the Correspondent including its officers, agents, directors, and employees, or that which through the exercise of reasonable care or diligence, should have been known to any of such persons.

1.2 RULES OF CONSTRUCTION

- a. **General Interpretive Rules.** For purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, (i) the terms defined in this Agreement have the meanings assigned to them in this Agreement and include the plural as well as the singular, and the use of any gender herein shall be deemed to include the other gender; (ii) reference herein to “Article,” “Section,” and other subdivisions, and to the “Exhibits,” without reference to a document, are to designated Articles, Sections and other subdivisions of, and to Exhibits to, this Agreement (as applicable); (iii) “including” means “including but not limited to;” (iv) the words “herein,” “hereof,” “hereunder” and other word of similar import refer to this Agreement (as applicable) as a whole and not to any particular provision; and (v) unless otherwise specified herein, any derivative of a term defined in this Article I shall be interpreted by reference to such definition.
- b. **Relation to Other Documents:** Nothing in this Agreement shall be deemed to amend or relieve Correspondent of its obligation under any other Program Document.
- c. **PNL’s Sole Discretion:** Whenever any provision of this Agreement of the Correspondent Agreement requires PNL to make a determination of fact or a decision to act, or to permit, approve, or deny another party’s action, such determination or decision shall be deemed to be in PNL’s sole and absolute discretion.

ARTICLE 2: ELIGIBLE LOANS; PRICING

2.1 PNL’S MORTGAGE LOAN PROGRAMS. PNL shall from time to time, distribute to Correspondent information with respect to the types of loan applications PNL is willing to accept. PNL will accept only those Applications eligible for the Mortgage Loan Programs offered by PNL. Correspondent will be entitled to send applications only upon (i) submission to PNL of such additional information and documents as required by PNL, and (ii) receipt by Correspondent of separate written authorization from PNL. Correspondent acknowledges that PNL reserves the right to alter, add, or delete Mortgage Loan Programs from time to time by amending the Guidelines, and Correspondent accepts responsibility for knowing which Mortgage Loan Programs are offered by PNL at any given time. Correspondent shall be responsible for assuring that each Application submitted to PNL complies with all the terms and conditions of the applicable Mortgage Loan Program at the time Correspondent sends the Mortgage Loan to PNL.

2.2 MORTGAGE LOAN PRICING. PNL shall issue to Correspondent on a periodic basis Rate Sheets and/or other pricing information applicable to Mortgage Loan Programs offered by PNL. Such Rate Sheets and/or pricing information shall be issued by PNL by facsimile, electronic mail, or by posting on the PNL website, and shall be subject to change by PNL without notice. Correspondent covenants to PNL that Correspondent shall comply with Applicable Requirements (including, without limitation, any applicable Guidelines concerning interest rates and Rate-Locks that apply to the particular Mortgage Loan Programs offered by PNL). In the event that a Rate-Lock expires prior to the purchase of the related (prospective) Mortgage Loan, and such expiration is not due to any negligent act or omission of PNL, PNL shall have no further obligation with respect to such Mortgage Loan, and Correspondent shall take no actions suggesting otherwise.

2.3 COMPENSATION. Any fees owed to the Lender for the processing, underwriting and/or closing of the file shall be paid by Borrower at closing. PNL shall receive no

fees or compensation from Correspondent either directly or indirectly for such services.

ARTICLE 3: DUTIES OF CORRESPONDENT

3.1 TAKING OF APPLICATIONS; DISCLOSURES. Correspondent shall take applications for Mortgage Loans in its own name through its employees. Correspondent shall provide to each Applicant, contemporaneously with the taking of such application, Correspondent disclosure(s) that comply with Applicable Requirements and the Guidelines. All Applications must have been originated and processed by Correspondent. Correspondent shall not submit third party originations under this Agreement.

3.2 APPLICATION SUBMISSION. Correspondent shall send each Application to PNL as set forth in the Guidelines. Correspondent shall submit for each Application (a) the fully completed Correspondent disclosure(s) signed as of the date of the application by the Applicant and by Correspondent; (b) the actual Application signed by the Applicant; and (c) such credit, financial and other information as set forth in this Agreement and/or the Guidelines, including, with respect to any government-sponsored loan, any information required by the procedures and guidelines of the sponsoring agency. Correspondent shall assist PNL in obtaining any additional information needed or desired by PNL to facilitate the underwriting and purchase of the loan transaction.

3.3 PERFORMANCE OF CORRESPONDENT SERVICES. In addition to taking the information from the Applicant, filling out the Application, and providing and explaining the disclosure(s), Correspondent shall, for every loan, perform certain additional services, including (but not limited to) at least eight (8) of the following services (except to the extent that such services are not required in connection with the applicable Mortgage Loan Program, or are specified in the Guidelines as services to be provided by PNL or a third party) (a) analyzing the Applicant's income and debt and pre-qualifying the Applicant to determine the maximum Mortgage Loan that the Applicant can afford; (b) educating the Applicant in the home buying and financing 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; (c) collecting financial information (tax returns, bank statements) and other related documents that are part of the application process; (d) initiating/ordering VOEs (verifications of employment) and VODs (verifications of deposits); (e) initiating/ordering requests for mortgage and other loan verifications; (f) initiating/ordering appraisals; (g) initiating/ordering inspections or engineering reports; (h) providing disclosures (Truth in Lending, Good Faith Estimate, other) to Applicants, as required by Applicable Requirements and the Guidelines; (i) assisting prospective Borrowers in understanding and addressing credit problems; (j) maintaining regular contact with Applicants, real estate agents, and PNL, between application and closing to apprise them of the status of the Applications and to gather documents any additional information as needed; (k) ordering legal documents (e.g., title reports); (l) determining whether the mortgaged property is located in a flood zone or ordering such service; (m) participating in the loan closing; (n) analyzing the information provided by Borrower and confirming that the Borrower's application complies with applicable requirements and the guidelines; and (o) providing such other services as may be required in connection with a particular loan transaction.

3.4 COMPENSATION. All fees earned by Correspondent shall be paid by Borrower at closing. PNL will not provide compensation for these services in any form to Correspondent. Any fee payable to Correspondent for its provision of goods, services or facilities in connection with applications and mortgage loans shall be paid in accordance with the guidelines and applicable requirements, and only in connection with a particular mortgage loan if each of the following conditions is met: (a) Correspondent has actually provided necessary goods, services and/or facilities in connection with the mortgage loan; (b) Correspondent is in compliance with all applicable requirements and all of the terms of this agreement and has submitted fully executed copies of all required disclosures with the application; (c) Correspondent has submitted an executed mortgage loan origination Agreement between Correspondent and the applicant, which agreement satisfies the requirements of the applicable requirements and guidelines; (d) with respect to each application, Correspondent and the Applicant have completed and executed copy a Good Faith Estimate (“GFE”) which complies with applicable requirements and contains all applicable fees and charges and itemizes the dollar amount of the compensation that will be paid to the Correspondent. PNL shall rely on Correspondent’s GFE. Correspondent’s compensation may not be greater than the amount set forth in the Correspondent -completed GFE; (e) Correspondent has performed, at a minimum, the services required under Section 3.3 of this Agreement and the Guidelines with respect to the Mortgage Loan; (f) any lender-paid compensation, when combined with other borrower-paid compensation in connection with the origination of the Mortgage Loan, shall not be greater than that allowed under Applicable Requirements and shall be subject to the additional limitations set forth by PNL. Correspondent covenants to PNL that the total compensation earned by Correspondent from all sources will constitute a reasonable payment for the goods, facilities and services actually provided by Correspondent and Correspondent will not retain duplicative payments for any of those goods, fees or services; (g) Correspondent warrants that loan originators will be paid within compliance of Regulation Z regulations.

3.5 GOVERNMENT SPONSORED LOANS. All government sponsored loans shall be originated and closed in accordance with all requirements of the sponsoring Agency – including but not limited to proof of any required governmental approval. This agency relationship shall be solely for the benefit of Correspondent and PNL and not for the benefit of any third party. Correspondent shall be acting as an independent mortgage Correspondent with respect to such Agency Loans and the Applicants. Correspondent shall, with respect to the origination of any government sponsored Loan, describe and represent PNL’s policies, procedures and pricing only as set forth by PNL. Correspondent shall repurchase any Mortgage Loan that any government agency refuses to insure or issue guaranty if such refusal arises out of, results from or relates to the breach by Correspondent of any covenant, condition, term, or obligation, representation or warranty contained in this Agreement or the Guidelines, including, without limitation, those arising from any improper origination or processing of such Mortgage Loan.

3.6 COMMUNICATION WITH APPLICANTS. Except as may be otherwise provided in the Guidelines, Correspondent shall be responsible for all communications with Applicants.

3.7 LOAN RESCISSION, REIMBURSEMENT OF FEES. If Correspondent has collected any fees from a Borrower, including any fees payable to a third party, in connection with a Mortgage Loan that is rescinded by the Borrower pursuant to applicable state or federal law or regulation, Correspondent shall promptly refund all such fees that are required to be refunded to the Borrower. Correspondent shall also pay to Borrower any other amounts to which Borrower is entitled, whether or not those amounts were ever paid to or through Correspondent.

ARTICLE 4: DUTIES OF PNL

4.1 PROCESSING & UNDERWRITING OF APPLICATIONS.

PNL or its agent shall underwrite every Application sent pursuant to this Agreement. PNL shall have no obligation to approve or purchase a Mortgage Loan which in its sole discretion does not meet PNL's Underwriting requirements. In making its determination, PNL expressly disclaims any conclusions Correspondent may draw as to the general quality or acceptability of the related Application. PNL retains sole and absolute discretion to reject any Application that does not comply with the terms and conditions of this Agreement or the Guidelines or for any reason whatsoever (except any reason prohibited by law), and to set the terms and conditions of any approval of an Application. PNL shall notify Correspondent of the disposition of an Application as set forth in the Guidelines. Correspondent may not represent that PNL has approved or will approve any Application until PNL informs Correspondent in writing that it has done so. If PNL declines any Application, Correspondent shall notify the Applicant promptly upon receipt of notice of PNL's decision and deliver the required adverse action notice to the Applicant in accordance with Applicable Requirements. Correspondent shall also maintain evidence that any adverse action notice required to be received by the Applicant was in fact received. PNL will have no obligation or liability to Correspondent for any mortgage loan that is not purchased by PNL nor for any delays in the purchase of any loan.

4.2 ADDITIONAL DOCUMENTATION.

Correspondent shall be responsible for obtaining any additional documentation or information required by PNL to underwrite the Loan.

4.3 PURCHASE PRICE AND FEES

Each Mortgage Loan acceptable for purchase by PNL will be purchased at the lock-in price, as identified on the individual lock-in confirmation form in effect at the time the loan was locked, subject to any adjustments described herein. Each Mortgage Loan purchase will have net adjustments for all fees due escrow impounds, special assessments, interest, and PNL loan fees. Correspondent hereby authorizes PNL to deduct any monies due under the terms of this Agreement from the purchase price of a Mortgage Loan, and such right is not restricted to any one Mortgage Loan's purchase proceeds. Pricing questions will be allowed for a maximum 30 days after purchase of a Mortgage Loan. After that period, PNL will conclude the pricing as finalized, and any questions arising regarding pricing will not be fielded by PNL.

ARTICLE 5: GENERAL REPRESENTATIONS, WARRANTIES, AND COVENANTS OF CORRESPONDENT

As an inducement to PNL to enter into this Agreement and to consummate the transactions contemplated hereunder, Correspondent makes the following representations, warranties and covenants to PNL and any successor in interest to PNL under this Agreement as of the date hereof, as of each and every date Correspondent submits an Application to PNL, and (with respect to each such Application) as of the date that the related Mortgage Loan is funded by PNL. PNL shall be deemed to have relied on such representations, warranties, and covenants, regardless of any independent investigation it may have made or may hereafter make.

5.1 DUE ORGANIZATION; GOOD STANDING. Correspondent is duly organized, validly existing and in good standing (in case of a corporation or limited liability company) under the laws of the state governing its creation and in existence during the time of its activities with respect to the origination of the Applications and closing of the Mortgage Loans subject to this Agreement.

5.2 AUTHORITY AND CAPACITY. Correspondent has all power, authority and capacity legally required to enter into this Agreement and to perform the obligations required of it hereunder. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by all necessary action legally required. This Agreement constitutes a valid and legally binding Agreement of Correspondent enforceable in accordance with its terms.

5.3 EFFECTIVE AGREEMENT; NO CONFLICTS. The execution, delivery and performance of this Agreement by Correspondent, its compliance with the terms hereof and consummation of the transactions contemplated hereby, will not violate, conflict with, result in a breach of, give rise to any right of termination, cancellation or acceleration under, constitute a default under, be prohibited by or require any additional approval under its articles of incorporation (in the case of a corporation), bylaws, partnership agreement or other applicable organizational documents or any instrument to which Correspondent is bound, or any Applicable Requirements.

5.4 COMPLIANCE WITH LAWS. Correspondent has complied and shall comply, both in the conduct of its business generally, and in its origination of each Mortgage Loan and the submission of each Application, with all Applicable Requirements, including, without limitation upon the generality of the foregoing, the GLB Act and the FCRA (as defined in Section 11.7 below), the Equal Credit Opportunity Act (“ECOA”) and Regulation B, including without limitation its requirements relating to nondiscrimination; the Truth-in-Lending Act and Regulation Z; RESPA and regulation X; and state laws and regulations governing mortgage lending and mortgage brokerage. Correspondent represents and warrants that no Mortgage Loan is a High Cost Loan as that term is defined in the Home Ownership and Equity Protection Act (“HOEPA”) or similar state and/or federal law, and the Mortgage Loan does not fall into any other classification under state law which the Guidelines identify as a Mortgage Loan not eligible for purchase.

5.5 NOTICE OF THREATENED ACTIONS. Except as otherwise disclosed to PNL in the Broker application, Correspondent has not been issued any administrative order, Cease and Desist decree or been the subject of regulatory action. Correspondent covenants to PNL that Correspondent shall immediately advise PNL in writing of any inquiry, material complaint or pending or threatened action, by way of proceeding or otherwise, to revoke or limit any license, permit, authorization or approval issued or granted by any federal, state or local government or quasi-governmental body, or any agency or instrumentality thereof, necessary for Correspondent to conduct its business, or to impose any penalty or other disciplinary sanction in connection therewith, or any other sanction that would materially affect Correspondent’s business. In addition, in the event Correspondent received any letter, notice, or other writing (“Notice”) from any regulatory agency with respect to any Application sent to PNL, Correspondent covenants to PNL that Correspondent shall advise PNL immediately of such Notice and deliver a copy of the Notice to PNL. Correspondent further represents and warrants that no unfair and deceptive practices and/or violations of any consumer protection laws and Correspondent

covenants to PNL that Correspondent shall notify PNL immediately in the event of any such occurrence.

5.6 LITIGATION. Except as previously disclosed in writing to and acknowledged in writing by PNL, Correspondent is not party to (a) any pending, or, to Correspondent's Knowledge, threatened litigation as a defendant involving fraud, misrepresentation, violation of any state or federal lending laws or regulatory compliant, (b) any claims by borrower, or (c) any negative investor or regulatory findings through audits, examinations or mortgage guaranty insurance investigations.

5.7 NO UNTRUE OR MISLEADING STATEMENTS. No representation, warranty or written statement (i) made by Correspondent to PNL in this Agreement or in any schedule, written statement or document furnished to PNL in connection with the transactions contemplated hereby, or (ii) contained in any Application contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary to make the statements contained herein or therein not misleading.

5.8 INSURANCE. Unless otherwise agreed to in writing by PNL, Correspondent possesses and shall maintain, at no expense to PNL, during the term of this Agreement, fidelity bond coverage and errors and omission insurance, and shall furnish evidence of such coverage upon request of PNL. Such policies shall be in reasonable amounts, with acceptable standard coverages, satisfactory to PNL. Correspondent shall notify PNL of changes thereto or cancellations thereof.

5.9 BUSINESS INFORMATION. Correspondent shall furnish PNL and its representatives with any necessary information and data concerning the affairs of Correspondent, as PNL may reasonably request, including without limitations information regarding the status of Correspondent's licenses, permits, authorizations and approvals necessary for the conduct of its business as well as copies of such documents. Correspondent shall furnish, annually or as requested by PNL, copies of financial statements, the type and sufficiency of which shall be determined by PNL in its sole discretion, together with such other information bearing upon Correspondent's financial condition as PNL may reasonably request.

5.10 ABILITY TO PERFORM. Correspondent represents that it employs or will employ a sufficient number of knowledgeable and capable individuals to perform the services required by the Agreement.

ARTICLE 6: REPRESENTATIONS, WARRANTIES, AND COVENANTS AS TO APPLICATIONS AND/OR MORTGAGE LOANS

As further inducement to PNL to enter into this Agreement and to perform all loan underwriter functions as well as consummate the purchase of Mortgage Loans hereunder, Correspondent makes the below referenced representations, warranties and covenants, as of the date of submission to PNL of the related Application, and as of the date that the related Mortgage Loan is purchased by PNL. Each of the following representations, warranties and covenants (a) applies to any and all Applications sent by Correspondent to PNL and purchased by PNL, (b) is for the benefit of PNL and its successors and assigns, (c) continues in full force and effect for so long as the related Mortgage Loan remains outstanding and for such time that PNL is subject to any risk of loss or liability as to such Mortgage Loan, (d) is deemed to have been relied on by PNL, regardless of any independent investigation PNL may have made or may her-after make, and (e) is in

addition to any other specific representations, warranties or covenants contained elsewhere herein.

6.1 COMPLIANCE WITH LAWS AND WITH PNL POLICIES

AND PROCEDURES: To Correspondent's Knowledge, as of the date each Mortgage Loan is purchased by PNL, the Mortgage Loan will comply with all applicable Requirements. The origination of the Mortgage Loan complies in all respects with the guidelines. Each Mortgage Loan sent to PNL was originated by Correspondent and not by a third party. The Application (including all information and documentation submitted in connection with such Application) and, to Correspondent's Knowledge, all related Mortgage Loan Documents have been prepared and/or completed in accordance with the Guidelines and all Applicable Requirements, and all information provided by each of Applicant and Correspondent in such Applications, Mortgage Loan documents, or other documents and/or provided to any Agency or private mortgage insurer is true and correct in all respects and does not fail to disclose any facts which could be material or which would make such information misleading. All Correspondent compensation has been fully disclosed to the Applicant in compliance with Applicable Requirements and Guidelines. The Applicant has executed and received a copy of the Correspondent disclosure(s) as required by the Guidelines and there are no disputes with respect to Correspondent's compensation in connection with the origination or closing of Mortgage Loan.

6.2 FACTUAL DISCLOSURE. With regard to all Applications submitted to PNL hereunder, all facts relating to any prospective Mortgage Loan transaction that are known or should be known to Correspondent and that may adversely affect the value of the Mortgage Property, the credit, character or capacity of the Borrower, the validity of the Mortgage, or any other aspect of the transaction, have been disclosed in writing to PNL. To the Correspondent's Knowledge, the Mortgaged Property has not been damaged by fire, flood or other causes.

6.3 NO ADVERSE CIRCUMSTANCES. Correspondent has no knowledge of any circumstances or conditions with respect to the Application, the related Mortgaged Property, the Applicant or the Applicant's credit standing that reasonably could be expected to cause third party investors or the Agencies to regard any related Mortgage Loan as an unacceptable investment, cause any related Mortgage Loan to become delinquent or adversely affect the value or marketability of the related Mortgage Loan.

6.4 NO OTHER AGREEMENTS. Correspondent has not made, directly or indirectly, any payment on the Mortgage Loan, the Application, or any fee paid for goods and services rendered in connection with the origination and closing of the Mortgage Loan, or any other loan of Applicant from any other person or entity. Correspondent has also not made any agreement with the Applicant providing for any variation of the Note rate, schedule of payment or other terms and conditions of the related Mortgage Loan; and Correspondent has not received a request for approval of or notice of any proposed assumption, loss draft or payoff of the Mortgage Loan.

6.5 GOVERNMENT SPONSORED LOANS. All submissions to PNL for FHA-insured loans are true, complete and accurate and comply with all requirements of FHA.

ARTICLE 7: RESPONSIBILITY FOR FRAUD; PURCHASE OBLIGATION.

Correspondent shall not submit any Application or other Mortgage Loan Document containing false or misrepresented information. Correspondent shall be responsible for all actions taken in the course of its performance of its obligations under this Agreement, whether performed by Correspondent, its employees or licensees, or the Applicant, or any other third party involved in the origination of the Mortgage Loan. Correspondent shall repurchase any Mortgage Loan if fraud has occurred in the origination of such Mortgage Loan. Correspondent understands and agrees that in the event PNL reasonably believes misrepresentations or fraud (e.g., instances of misstatements and/or inconsistencies generated whether by Correspondent or with Correspondent's Knowledge) exists in an Application (or related document), PNL may report such misrepresentations for fraud to the appropriate state and federal regulatory authorities, law enforcement agencies, and fraud databases. Correspondent acknowledges the importance of PNL's right, and necessity to disclose such information. Correspondent waives any and all claims for liability, damages, and equitable or administrative relief in connection with PNL's disclosure of such information.

ARTICLE 8: REPURCHASE

8.1 REASONS FOR REPURCHASE; TIMING OF REPURCHASE; REPURCHASE PRICE; ASSIGNMENT. Correspondent agrees to repurchase from PNL any Mortgage Loan resulting from an Application subject to this Agreement, upon the terms and conditions set forth herein, in the event that Correspondent has breached any of the terms of this Agreement. Correspondent shall repurchase any Mortgage Loan required to be repurchased pursuant to this Agreement within ten (10) calendar days after Correspondent's receipt of written demand for repurchase from PNL. The purchase price for any Mortgage Loan that Correspondent is required to repurchase hereunder shall be an amount equal to the sum of: (a) the then unpaid principal balance of the Mortgage Loan; (b) accrued interest through the date of purchase; (c) all un-reimbursed advances and extraordinary costs and expenses incurred by PNL with regard to such Mortgage Loan during the life of the Mortgage Loan; (d) all other costs, or expenses incurred by PNL, including penalties incurred by PNL from any investor, or servicer and reasonable attorneys' fees incurred in connection with the purchase, and (e) any fees paid by PNL, including but not limited to all fees and costs paid to Correspondent and/or other parties for goods and services rendered in connection with the origination and closing of the Mortgage Loan. Upon any such repurchase of a Mortgage Loan by Correspondent, PNL shall endorse the Note and shall assign the Mortgage in recordable form to Correspondent, without representation and warranties, whether express or implied, and without recourse to PNL.

8.2 NON-WAIVER OF REMEDIES; RIGHT OF SETOFF. PNL is not required to demand repurchase with any particular period of time. Any delay or passage of time before making such demand shall not constitute a waiver by PNL and nothing contained in this Article 8 shall limit PNL's rights 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. Any amount owed by Correspondent to PNL may be offset by PNL against funds due to Correspondent.

ARTICLE 9: INDEMNIFICATION

Correspondent shall indemnify, defend and hold PNL harmless against and in respect of, and shall reimburse PNL for any and all losses, liabilities, claims, damages, costs including without limitation reasonable attorneys' fees and costs (including allocated costs of in-house counsel), and actions suffered or incurred by PNL which arise out of any covenant, condition, term, obligation, representation or warranty contained (i) in this Agreement or the Guidelines, or (ii) in any written statement or certificate furnished by Correspondent pursuant to this Agreement, the Guidelines, and/or the Correspondent application, including, without limitation, those arising from any improper origination or processing of Mortgage Loans; or (b) any material act or omission of Correspondent or any employee or agent of Correspondent, or of any Correspondent -selected third party, which act or omission adversely affects any Mortgage Loan sent to and funded by PNL hereunder. Without limiting the foregoing, Correspondent's obligations under this Article 9 shall include costs and expenses associated with PNL's efforts to require Correspondent to purchase Mortgage Loans under this Agreement. In all actions with third parties in which PNL has the right to be indemnified hereunder, PNL shall have the complete and exclusive right to determine the conduct and defense of such legal proceeding or investigation with such third party including, without limitation, the right to compromise, settle, defend or continue any such action.

ARTICLE 10: TERM; TERMINATION

TERM. The term of this Agreement shall commence as of the date hereof and shall extend until the termination of this Agreement pursuant to this Article. Correspondent acknowledges that PNL may terminate Correspondent's participation in any or all of the Mortgage Loan Programs, with or without cause and at PNL's sole discretion, pursuant to this Article. Correspondent and PNL agree that this Agreement does not constitute an obligation or commitment of Correspondent to submit or deliver any specific loan, or of PNL to approve or purchase any specific loan or loans.

TERMINATION WITHOUT CAUSE; TERMINATION FOR CAUSE. PNL or Correspondent may terminate this Agreement without cause upon five (5) calendar days' written notice to the other party. Except as provided below, such termination shall not in any respect change or modify the obligations of the parties with respect to Applications that have been rate locked with PNL pursuant to Article 2 prior to the date of termination. No termination hereunder shall change or modify Correspondent's obligations under this Agreement accruing prior to the date of termination. Notwithstanding anything to the contrary herein, PNL may (i) refuse to purchase any Mortgage Loan, whether or not such Mortgage Loan has been Rate-Locked (and PNL shall have no liability under this agreement for any such refusal) and/or (ii) terminate this Agreement immediately, upon written notice to Correspondent, if (a) PNL determines that any fraud has occurred in the origination of any Mortgage Loan; (b) Correspondent fails to perform any of its obligations under this Agreement, or breaches any representation, warranty or covenant made herein; (c) any Applicable Requirement makes it unlawful for PNL and Correspondent to do business in accordance with the terms of this Agreement; (d) Correspondent misrepresents or misleads any Applicants or other persons about the obligations of PNL under this Agreement, misrepresents the relationship between PNL and Correspondent, or engages in or aids and abets another in any deceptive practice; (e) Correspondent attempts to assign its rights under this Agreement without PNL's prior written consent or fails to comply with the requirements of this Agreement restricting transfer of interest; (f) any of Correspondent's licenses, authorities, permits or approvals is revoked, suspended, or cancelled, or expires without renewal; (g) Correspondent is placed on debarment, limited denial of participation, exclusionary, or similar list of any government sponsored enterprise; or (h) Correspondent violates any Applicable

Requirement, or violates any industry standard, including but not limited to codes of ethics or professionalism.

ARTICLE 11: MISCELLANEOUS

11.1 ASSIGNMENT. PNL shall have the right to assign or transfer this Agreement and its duties, obligations or rights hereunder. Correspondent may not assign, transfer or subcontract any of its duties, obligations or rights under this Agreement without PNL's prior written consent. A change in the ownership of, or merger or consolidation of, Correspondent, or sale by Correspondent of substantially all of its rights in the Applications and/or related Mortgage Loans that are the subject hereof, such assignee shall have the same rights as PNL with respect to this Agreement.

11.2 NOTICES. Any notice or demand shall be in writing and shall be deemed to have been given if either served personally or sent by prepaid, registered, or certified mail, return receipt requested, or by overnight courier. Notices shall be addressed to each party as indicated in this Agreement. Either party may give notice of its change of address by written notice to the other. Nothing in this section shall be interpreted to restrict PNL's right to modify the Guidelines as provided for elsewhere in this Agreement, or to publish such modifications in writing or by electronic means including, but not limited to, transmission by telecopier or posting to the PNL web site.

11.3 BOOKS AND RECORDS. Correspondent shall prepare and maintain files for Mortgage Loan Documents in accordance with applicable guidelines established in the Guidelines and Applicable Requirements. Correspondent and PNL shall keep and maintain a complete and accurate account, satisfactory to PNL, of all funds collected and paid relating to the Mortgage Loans. Correspondent shall give PNL, its employees, and its representatives, including without limitation internal and external auditors, quality control auditors, attorneys, and regulatory agency examiners, access, upon reasonable notice and during normal business hours, to audit and inspect Correspondent's files, books, records, reports, statistics and other documents of Correspondent relating to its obligations under this Agreement. Correspondent covenants that it will cooperate with PNL in the investigation of any claim and assist in the defense of any lawsuit arising out of the obligations of the parties under this Agreement. In addition, Correspondent will cooperate with PNL, its auditors and/or regulatory examiners in any audit of PNL and in any regulatory examination of PNL.

11.4 RELATIONSHIP OF PARTIES. Neither party is the partner, agent, employee or representative of the other and nothing in this Agreement shall be construed or deemed to create a partnership, joint venture, agency or employment relationship between PNL and Correspondent. Correspondent shall conduct business in its own name and not in PNL's name. Correspondent shall not represent that its office is an office, branch or agent of PNL or in any other way connected with PNL. Correspondent shall have no authority to sign any documents in behalf of PNL. Correspondent shall be responsible for its overhead and operations costs, payroll costs and all other costs.

11.4 CONSENT TO COMMUNICATION. Correspondent and PNL each understands that by executing this Agreement each such party is consenting to received communications (including, without limitation, Rate sheets) sent via facsimile, electronic mail and/or any other applicable electronic means by, or on behalf of, the other party hereto at such facsimile number(s) or electronic mail address (es) as designated by the other party from time to time. This consent will be

in effect until such time as the Agreement is terminated, and any provision of the Agreement surviving such termination is no longer in effect.

11.5 EARLY REPAYMENT. Correspondent shall pay a fee with respect to any Mortgage Loan that pays off or otherwise liquidates (an “Early Repayment”) within 150 days after the date the Mortgage Loan was purchased. The fee shall be the amount of the yield spread premium PNL paid to Correspondent for each such Mortgage Loan that is an Early Repayment. PNL shall notify Correspondent in writing for the amount due with respect to any Early Repayment. If payment is not promptly received by PNL, the amount owing may be setoff against any amount due to Correspondent from PNL.

11.6 CONFIDENTIALITY; SAFEGUARDING CONSUMER

INFORMATION. Correspondent agrees that information concerning PNL’s business (including that of all corporate affiliates) is “Confidential Information” and proprietary and shall be maintained in confidence and not disclosed, used, duplicated, published, disseminated or otherwise made available except as described in this section. “Confidential Information” may also include, without limitation, lists of (or other information relating to and identified with) customers, former or prospective customers or Applicants, trade secrets, confidential and proprietary methods, techniques, processes, applications, approaches, and other information of PNL in various forms, which information is used or is useful in the conduct of PNL’s business including PNL’s origination, purchase, and sale of mortgage products and the subject matter of this Agreement. Correspondent may use Confidential Information of PNL only (i) in connection with performance under this Agreement, and (ii) in compliance with applicable provisions of Subtitle A of Title V of the Gramm-Leach-Bliley Act (codified at 15 U.S.C. 6801 et seq.), as it may be amended from time to time (the “GLB Act”), the regulations promulgated there under, the Fair Credit Reporting Act, 15 U.S.C. 1681 et seq. (as it may be amended from time to time, the “FCRA”) and all other Applicable Requirements. Except as described in this Agreement, Correspondent shall not copy Confidential Information or disclose Confidential Information to persons who do not need Confidential Information in order to perform under this Agreement. Correspondent shall maintain an appropriate information security program (in accordance with the GLB Act and/or any other Applicable Requirements) to prevent the unauthorized disclosure, misuse, alteration or destruction of Confidential Information. Confidential Information shall be returned to PNL upon termination of this Agreement. Confidential Information does not include information that is generally known or available to the public or that is not treated as confidential by the party claiming such information to be confidential, provided, however, that this exception shall not apply to any publicly available information to the extent that the disclosure or sharing of the information by one or both parties is subject to any limitation, restriction, consent, or notification requirement under any applicable federal or state information privacy law or regulation then in effect. If requested by PNL, any employee, representative, agent or subcontractor of Correspondent shall enter into a non-disclosure agreement with PNL to protect the Confidential Information of PNL. A breach of Correspondent’s confidentiality obligation may cause PNL to suffer irreparable harm in an amount not easily ascertained. The parties agree that such breach, whether threatened or actual, will give PNL the right to obtain equitable relief, *i.e.*, obtain an injunction to restrain such disclosure or use with the requirement of posting a bond, and pursue all other remedies said party may have at law or in equity.

11.7 ADVERTISING AND TRADEMARK. Correspondent shall not use or appropriate in any manner either the name of PNL or of any subsidiary or affiliate of PNL, or any of PNL’s (or such subsidiary or affiliate’s) product names, trade names, symbols or trademarks, unless specifically licensed in writing to do so by PNL.

11.8 ENTIRE AGREEMENT. This Agreement, the Guidelines, and any other agreement, document or instrument attached hereto or referred to herein or in the Guidelines, contain the entire Agreement between the parties and supersede all prior agreements and understandings with respect to the subject matter hereof. In the event of any conflict between the terms, conditions and provisions of this Agreement, the Guidelines, and any such agreement document or instrument, the terms conditions and provisions of this Agreement shall prevail.

11.9 MODIFICATION AND WAIVER. No termination, cancellation, modification, amendment, deletion, addition or other change in this Agreement, or any provision hereof, or waiver of any right or remedy herein provided, shall be effective for any purpose unless specifically set forth in writing signed by an authorized officer of the party or parties to be bound thereby. The waiver of any right or remedy in respect of any one occasion shall not be deemed a waiver of such right or remedy in respect of such occurrence or event on any other occasion. Nothing in this section shall be interpreted to restrict PNL's right to modify the Guidelines as provided for elsewhere in this Agreement or to publish such modifications in writing or by electronic means including, but not limited to, posting to the PNL website.

11.10 MODIFICATION OF OBLIGATIONS. PNL may, without any notice to Correspondent, extend, compromise, renew, release, modify, adjust or alter, by operation of law or otherwise, any of the obligations of the Borrower or other persons obligated under a Mortgage Loan without releasing or otherwise affecting the obligations of Correspondent with respect to such Mortgage Loan or otherwise under this Agreement.

11.11 SURVIVAL OF PROVISIONS. If any of the terms or provision of this Agreement are for any reason whatsoever held invalid, then such terms or provisions will be deemed severable and shall in no way affect the validity of enforceability of such remaining provisions and terms, all of which shall remain in full force and effect. All of the covenants, agreements, representations and warranties made herein by Correspondent shall survive and continue in effect after the termination of the Agreement or the consummation of the transactions contemplated hereby.

11.12 GOVERNING LAW; JURISDICTION. This Agreement shall be governed by, and construed and enforced in accordance with, applicable federal law and the laws of the State of Texas. Any action arising out of this Agreement or the transactions contemplated hereby may only be instituted in any state or federal court located in Dallas, Texas. Further, each party expressly waives any objection that such party may have to the laying of venue of any such action, and irrevocably submits to the jurisdiction of any such court and agrees to be fully bound by any final unappealed decision of those courts.

11.13 AGREEMENT FAIRLY CONSTRUED. This Agreement shall be construed fairly as to both parties and not in favor of or against either party, regardless of which party prepared this Agreement.

11.14 COUNTERPARTS. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts and all of said

counterparts taken together shall be deemed to constitute one and the same instrument. The parties hereto acknowledge and agree that such counterparts may be executed by signatures sent by facsimile transmissions.

11.15 RELEASE OF LIABILITY. Correspondent hereby discharges and releases PNL, its parent companies, subsidiaries and affiliates, and their present and future directors, officers, employees, attorneys, and agents, and the successors and assigns of any of the foregoing, of and from any and all claims, demands, actions, causes of action, suites, damages, attorneys' fees, costs and expenses of suit, liabilities and judgments of whatsoever kind (a "Claim"), by reason of any act or omission relating to PNL's or such other party's use of any Application or verification of any information contained therein. Correspondent further indemnifies and agrees to defend and hold PNL harmless with respect to any Claim made by any past, present or future owner, officer or employee of Correspondent with respect to such use or verification.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and sealed as of the day and year first above written.

CORRESPONDENT:

By: _____

Name: _____

Title: _____

**NTFN, INC. dba
PREMIER NATIONWIDE LENDING
5301 Village Creek Drive, Suite B
Plano, TX 75093**

By: _____

Name: _____

Title: _____

Address for Notices:

