

The Interthinx TPO Certification Program provides lenders with a standard approval process, creating an easier, simpler and more cost effective way to conduct business with third parties. The benefits of the Interthinx TPO Certification Program include:

COMPREHENSIVE BACKGROUND ANALYSIS ON BROKERS AND CORRESPONDENTS

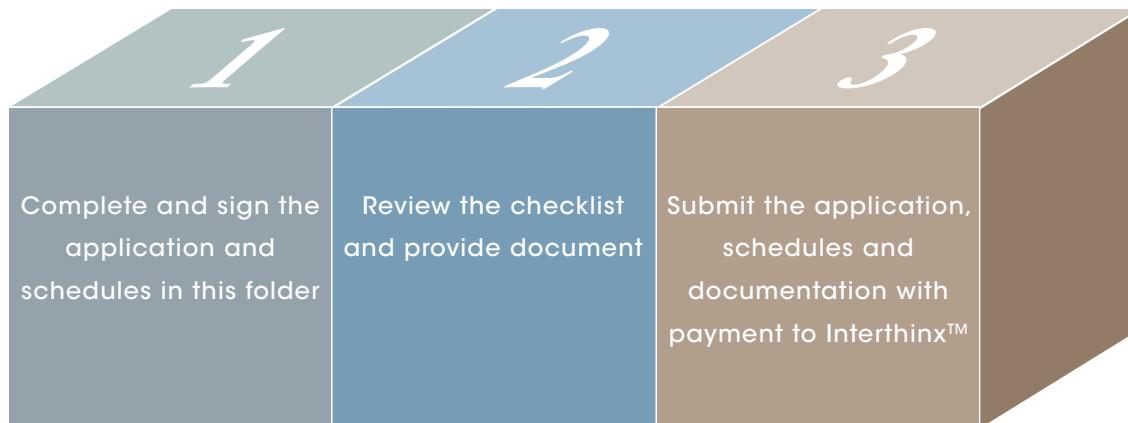
- Single bureau credit report
- Identity verification through the Interthinx Safecheck product
- Verification of broker license information/status
- Verification of Errors and Omissions & Fidelity Bond insurance
- Lexis Nexis news article search
- OFAC Check in compliance with U.S. Patriot Act, Section 23
- Complete search through the Interthinx™ National Fraud Protection Database (NFPD)
- Corporation status
- Primary owner bankruptcy check
- HUD title 2 verifications
- Warehouse verification upon request
- Broker references requested

ADDITIONAL SERVICES: Dunn & Bradstreet report, suits, liens and judgments report and a business information report.

TIME AND COST SAVINGS: One centralized system to process applications. Reallocation of current internal resources allows you to streamline current processes and increase your bottom line.

TO BEGIN SUBMITTING YOUR BROKER APPROVAL PACKAGES, complete the 3 steps below and gain access to the efficient Interthinx TPO Certification Program.

THREE STEPS TO TPO CERTIFICATION



Interthinx, created by the merger of ApIntel-
ligence and Sysdome,
is a leading provider
of comprehensi fraud
prevention and decision
support tools enabling
mortgage professionals
to reduce risk, increase
productivity/turnaround
time and maximize loan
quality. Additionally,
Interthinx works closely
with national wholesale
lenders and national
investors to simplify the
way mortgage brokers
are approved to origi-
nate loans.

Q1 Do we (lender) need to submit all documentation? Or just what we (lender) require?

The documentation we require is a standard format for all lenders. The lender may choose what they may or may not need verified, depending on their own approval process.

Q2 What is the turnaround time?

Expected turnaround time is 72 hours. Some certifications may require a longer time frame but lenders are advised when those situations occur.

Q3 How long is the certification good for?

Certifications are good for one (1) year from the date certified. This also means that Interthinx will verify and update all information in the package up to three times in one year.

Q4 Can I include other information for verification once the package is completed?

Yes, you may include additional information to be certified within the one year of certification, although additional charges may apply.

Q5 Do you automatically renew the certification?

No, all renewals of certifications have to resubmitted through the lender.

Q6 Do I need to fill out your application or can we use our own?

Either/Or. It's completely up to the lender to choose the application. However, if the lender uses its own application, all necessary releases and signed areas must mention Interthinx or its assigned agent, so that Interthinx has the same authorization as the lender to verify the information.

APPLICATION SUBMISSION CHECKLIST



- 1 Complete and sign your *TPO Certified TPO Application* in this kit.
- 2 Review the *Application Submission Checklist* below.

For each item that applies to your business, please provide the documentation or information requested. A complete application and supporting documentation will assure a faster turnaround time.

If you have any questions please contact Interthinx™ at (800) 333-4510 or send an e-mail to support@interthinx.com or Crestline Funding at (949) 863-8600 or support@crestlinefunding.com

TPO CERTIFIED – TPO APPLICATION – Remove the application form from this folder. Request the broker to complete and sign the application, along with including the documentation outlined in this checklist. Only complete applications will be processed. Enter all names with complete address, city, state and zip codes.

PROFESSIONAL LICENSE/APPROVALS – A copy of the broker professional license(s), business license, lender's license, etc., must be included with your application. License must have the name of the business or owner's name and must be active. Expired licenses will delay the processing of your package certification.

INFORMATION RELEASE – Along with the Broker Application, please complete the Authorization to Release Information and have the appropriate individuals sign where indicated. If you are a corporation please provide a copy of your Articles of Incorporation and if doing business under a different name than your registered corporate name, include a copy of your d.b.a. filing. *Names must match your application and license.*

ERRORS & OMISSIONS AND FIDELITY BOND INSURANCE – If the broker has a current E&O policy or a Fidelity Bond in effect, please provide a photocopy of the policy or bond declaration page. Include the name, address and phone number of the issuing insurance company and their agent.

RESUMES FOR OWNERS, PRINCIPALS AND KEY EMPLOYEES – Please provide a resume for each principal owner and majority stockholder (persons with 10% or more of the corporate stock issued) along with key staff members whose experience and knowledge is relied upon to run the daily operations of your loan brokerage business.

W-9 REQUEST FOR TAXPAYER ID NUMBER – Complete the enclosed W-9 with all required information, sign and return to Interthinx with all items in this checklist.

CURRENT FINANCIAL STATEMENTS – Include copies of the broker's current Audited Financial Statement or internally prepared financial statements certified by a principal or Chief Financial Officer.

AUTHORIZATION FORM – Each Principal and Broker of record must sign the Credit Authorization.

WHERE TO SEND COMPLETED PACKAGE – After completing your application, reviewing the *Application Submission Checklist* and providing all documentation required, send your completed package to: Crestline Funding Corporation, 18851 Bardeen Ave., Irvine, CA 92612 (949) 863-8600. Or contact your sales representative for optional delivery methods.

TPO CERTIFICATION APPLICATION *1 of 3*



COMPANY/BROKER INFORMATION (Main Office or Parent Company)

Business Name: _____ Company Contact: _____ Please check one:
Doing Business As: _____ Phone No: _____ Sole Proprietor
Street Address: _____ Type of Business (Please check one): Partnership
City, State, Zip: _____ Mortgage Banker Corporation
County: _____ Mortgage Broker LLC
Phone: _____ Bank/S&L LLP
Facsimile: _____ Credit Union LP
E-mail Address: _____ LTD
Broker(s) Name(s): _____
Broker(s) SSNs: _____
How Long Originating Loans: _____

CORPORATE FILING INFORMATION

Date Incorporated: _____ County: _____ State: _____
Federal ID No: _____ If no Federal ID No., SSN: _____

LICENSE/APPROVAL *(License is required.)*

Broker name license was issued to: _____ License No: _____
Date Issued: _____ Expiration Date: _____
Home Address of Broker: _____
Phone: _____ E-mail: _____

If licensed or approved by any of the following entities, the following information is required.

FHA/HUD No: _____ Date Approved: _____ Veterans Affairs No: _____ Date Approved: _____
 Fannie Mae No: _____ Date Approved: _____ Freddie Mac No: _____ Date Approved: _____

PRINCIPALS

Name: _____ Title: _____ Percent Owned: _____ % Phone: _____
Date of Birth: _____ Social Security Number: _____ Fax: _____
Residence Address: _____ E-mail: _____

Name: _____ Title: _____ Percent Owned: _____ % Phone: _____
Date of Birth: _____ Social Security Number: _____ Fax: _____
Residence Address: _____ E-mail: _____

Name: _____ Title: _____ Percent Owned: _____ % Phone: _____
Date of Birth: _____ Social Security Number: _____ Fax: _____
Residence Address: _____ E-mail: _____



ORIGINATION AND PROCESSING METHOD

Origination: Wholesale Retail

Origination Method: Internet Traditional Paper

Processing Method: In-House Outsource

LENDER REFERENCES *(If additional Lender References, please use additional page.)*

Lender Name: _____ Phone: _____

Contact Person: _____ Title: _____

Lender Name: _____ Phone: _____

Contact Person: _____ Title: _____

Lender Name: _____ Phone: _____

Contact Person: _____ Title: _____

AFFILIATED COMPANIES *(If additional Affiliated Companies, please use additional page.)*

Company Name: _____ Phone: _____

Type of Business: _____ Percent Ownership: _____ %

Company Name: _____ Phone: _____

Type of Business: _____ Percent Ownership: _____ %

DISCLOSURE/DUE DILIGENCE

1. Has your company ever been suspended from selling or servicing mortgages by an investor? If yes, please provide explanation: _____
2. Has your company, and/or principals or corporate officers, been named as defendant in a lawsuit for alleged fraud or misrepresentation in connection with any real estate related activity? If yes, please provide explanation: _____
3. Has your company ever been involved or is currently involved in any litigation? If yes, please provide explanation: _____
4. Has your company, and/or principals or corporate officers, been named as defendant in a criminal proceedings/complaint/conviction for alleged fraud or misrepresentation in connection with any real estate related activity? If yes, please provide explanation: _____
5. Has your company, and/or principals or corporate officers, filed for protection from creditors under any provision of the bankruptcy laws within the past seven years? If yes, please provide explanation: _____
6. Has your company, and/or principals or corporate officers, ever had a real estate or other professional license suspended, revoked or received any other disciplinary action from a regulatory agency? If yes, please provide explanation: _____
7. Has any lender enforced, or attempted to enforce, the Hold Harmless or Repurchase clause of their correspondent or broker agreement with your company and/or any principals or corporate officers? If yes, please provide explanation: _____

For the purpose of inducing lenders to provide financing for customers of the undersigned, I (we) certify the above information to be true and correct. The undersigned declares that the foregoing information and all accompanying information are true to the best of his/her knowledge and belief. Interthinx, an agent for Crestline Funding Corporation is hereby authorized to obtain verification of information from any source (including character and credit references) and obtain a personal credit report for each principal in connection with this TPO application. The undersigned herein transfers all information to Interthinx.

Broker/Owner/Corporate Officer Signature _____ Date _____



BRANCH OFFICES *(If additional Branch Offices, please use additional page.)*

What states are you currently licensed to do business in? *(List ALL branches in every state you are currently licensed in):* _____

Branch Name: _____	Phone: _____
Contact Person: _____	Title: _____
Branch Name: _____	Phone: _____
Contact Person: _____	Title: _____
Branch Name: _____	Phone: _____
Contact Person: _____	Title: _____

ADDITIONAL AFFILIATED COMPANIES *(If additional Affiliated Companies, please use additional page.)*

Company Name: _____	Phone: _____
Type of Business: _____	Percent Ownership: _____ %
Company Name: _____	Phone: _____
Type of Business: _____	Percent Ownership: _____ %
Company Name: _____	Phone: _____
Type of Business: _____	Percent Ownership: _____ %

PRINCIPALS

Name: _____	Title: _____	Percent Owned: _____ %	Phone: _____
Date of Birth: _____	Social Security Number: _____		Fax: _____
Residence Address: _____	E-mail: _____		
Name: _____	Title: _____	Percent Owned: _____ %	Phone: _____
Date of Birth: _____	Social Security Number: _____		Fax: _____
Residence Address: _____	E-mail: _____		
Name: _____	Title: _____	Percent Owned: _____ %	Phone: _____
Date of Birth: _____	Social Security Number: _____		Fax: _____
Residence Address: _____	E-mail: _____		

EDUCATION COURSES COMPLETED

Broker's <input type="radio"/> SMC Course	Certificate No: _____	Date Completed: _____
<input type="radio"/> CMC Course	Certificate No: _____	Date Completed: _____
<input type="radio"/> Other Course	Name: _____	Certificate No: _____ Date Completed: _____
<input type="radio"/> Other Course	Name: _____	Certificate No: _____ Date Completed: _____

ADDITIONAL INFORMATION



CONTACT INFORMATION

Processing: _____ E-mail: _____ Phone No: _____
Secondary Marketing: _____ E-mail: _____ Phone No: _____
Underwriting: _____ E-mail: _____ Phone No: _____
Shipping: _____ E-mail: _____ Phone No: _____
Funding: _____ E-mail: _____ Phone No: _____
Servicing: _____ E-mail: _____ Phone No: _____
Accounting: _____ E-mail: _____ Phone No: _____

LOAN PRODUCTION

Prior 12 months Funding Volume Government: _____ Average Loan Amount: _____
Prior 12 months Funding Volume Conventional: _____ Average Loan Amount: _____
Prior 12 months Funding Volume Jumbo: _____ Average Loan Amount: _____
Prior 12 months Funding Volume Sub-Prime: _____ Average Loan Amount: _____
Prior 12 months Funding Volume 2nd Trust Deeds: _____ Average Loan Amount: _____
Prior 12 months Percent Government: _____ Prior 12 months Percent Conforming: _____
Prior 12 months Percent Jumbo: _____ Prior 12 months Percent Sub-Prime: _____

TECHNOLOGY RESOURCES

What processing software do you use (include name and version)? _____
What point of sale loan origination software? _____
Do you currently use Fannie Mae's Desktop Underwriter to approve loans? Yes No
Do you currently use Freddie Mac's Loan Prospector? Yes No

WIRE TRANSFER INFORMATION

Wire To Bank Name: _____
Address, City, State and Zip: _____
Account Name: _____
ABA No: _____ Account No: _____
Contact Name: _____ Phone No: _____ Fax No: _____
If lender offers TPO payment by wire or check, which do you prefer: Wire Check

WAREHOUSE/CREDIT LENDERS

Name: _____ Amount: _____ Renewal Date: _____
Name: _____ Amount: _____ Renewal Date: _____
Name: _____ Amount: _____ Renewal Date: _____

The Additional Statement and Miscellaneous information sheets are herein incorporated as part of the TPO Application. All declarations and authorizations apply as part of the original TPO Application.

AUTHORIZATION TO RELEASE INFORMATION



AUTHORIZATION TO RELEASE INFORMATION

Legal Name of Broker/Correspondent Company: _____

I/We hereby authorize you to release to Crestline Funding Corporation, or its designated agents, any and all information Crestline Funding Corporation may require for the purpose of initial broker/correspondent approval and periodic reviews of approved status.

Printed / Typed Name	Signature	Date of Signature
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Printed / Typed Name	Signature	Date of Signature
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Printed / Typed Name	Signature	Date of Signature
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Printed / Typed Name	Signature	Date of Signature
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W-9 REQUEST FOR TAXPAYER ID



Form **W-9**
(Rev. January 2003)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Give form to the
requester. Do not
send to the IRS.

Print or type
See Specific instructions on page 2.

Name
Business name, if different from above
Check appropriate box: <input type="checkbox"/> Individual/ Sole proprietor <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Other ▶
Address (number, street, and apt. or suite no.)
City, state, and ZIP code
List account number(s) here (optional)
Requester's name and address (optional)
<input type="checkbox"/> Exempt from backup withholding

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see **How to get a TIN** on page 3.

Social security number
+ +
or
Employer identification number
+

Note: If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
- I am a U.S. person (including a U.S. resident alien).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. (See the instructions on page 4.)

Sign Here

Signature of U.S. person ▶

Date ▶

Purpose of Form

A person who is required to file an information return with the IRS, must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

U.S. person. Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
- Certify that you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee.

Note: If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Foreign person. If you are a foreign person, use the appropriate Form W-8 (see Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien.

Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the recipient has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement that specifies the following five items:

- The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
- The treaty article addressing the income.
- The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
- The type and amount of income that qualifies for the exemption from tax.
- Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Cat. No. 10231X

Form **W-9** (Rev. 1-2003)

CREDIT AUTHORIZATION



A consumer credit report is required to complete the Interthinx TPO Certification process. Each Principal, Owner, or Broker of Record must sign the following Credit Authorization. Names of all Principals with a 10% or greater equity holding must also be listed on the TPO Broker Application Form contained in this application package.

Interthinx, an agent for Crestline Funding Corporation is hereby authorized to obtain verification of information from any source (including character and credit references) and obtain a personal consumer credit report in connection with this loan brokerage application. Interthinx™, further authorized to update my/our credit report at least four times per year and maintain a history of this data for review by lenders accepting the Interthinx TPO Certification program.

Principal/Owner/Broker	Date	Principal/Owner/Broker	Date
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Principal/Owner/Broker	Date	Principal/Owner/Broker	Date
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Principal/Owner/Broker	Date	Principal/Owner/Broker	Date
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BROKER AGREEMENT

THIS AGREEMENT is entered into in the State of California this day of _____20____, between Crestline Funding Corporation, hereinafter referred to as "Crestline Funding", and _____, hereinafter referred to as "Broker".

WHEREAS, Broker wishes from time to time to sell and CRESTLINE FUNDING wishes from time to time to buy all of Broker's rights, title and interest in and to certain Promissory Notes secured by a first or second lien position on residential real property provided certain conventional mortgages conform to CRESTLINE FUNDING underwriting and funding standards.

WHEREAS, the parties wish to establish a non-exclusive relationship between and for the benefit of CRESTLINE FUNDING and Broker. Broker will submit to CRESTLINE FUNDING, on behalf of Broker's real property secured loan applications, hereinafter referred to as "Applicants", complete loan application packages for review, underwriting, and funding.

NOW THEREFORE, in consideration of promises, covenants and agreements hereinafter contain, the parties agree as follows:

1. General Broker Responsibility

Broker shall perform all of the following items at Broker's sole expense and agrees to these conditions in addition to the other promises, representations and covenants contained herein:

- a. Submit to Crestline Funding at Broker's expense completed loan application packages for applicants under such programs, procedures and fee schedules as Crestline Funding periodically may establish.
- b. Furnish Crestline Funding with applicant's credit, financial and other information as Crestline Funding may require.
- c. Acknowledge that the content of loan packages submitted to Crestline Funding shall immediately become the property of Crestline Funding, and all information contained therein may be subject to Crestline Funding independent verification.
- d. Comply with all applicable local, state and federal laws, including but not limited to, Real Estate Settlement Procedure Act, the Equal Credit Opportunity Act, the Truth in Lending Act, the Fair Credit Reporting Act and any other governmental regulatory agent requirements to brokerage or real property secured loan applications.
- e. Deliver to Crestline Funding with each application package required disclosures in compliance with state and federal regulations including a Mortgage Loan Origination Disclosure, Good Faith Estimate disclosing yield spread premium, Truth in Lending Disclosure and Multi Disclosure as well as any other disclosures deemed necessary per Crestline Funding policy.

2. Broker Warranties

Broker hereby represents and warrants to Crestline Funding as follows:

- a. As of the date of this Agreement and as of the closing of any loan, by accepting compensation from Crestline Funding, Lender is reaffirming and Broker is recertifying the truth of the warranties and representations.
- b. None of the statements or information contained in any loan package will contain any untrue or erroneous statement or admission of a material fact that would, in any way, affect the Crestline Funding loan application review and subsequent approval. Broker understands that by making the warranty contained in this paragraph, it is warranting the accuracy of all information contained in any loan package submitted to Crestline Funding.
- c. There is no current, pending, or threatened bankruptcy, foreclosure, or other litigation pending or threatened against any Applicant or related to the property securing any Applicant's loan, except as Broker advises Crestline Funding, in writing at the time of loan delivery of the affected application to Crestline Funding.
- d. Broker has no adverse information concerning any Applicant which it has not communicated to Crestline Funding.
- e. Under and according to the laws of all jurisdictions in which Broker is acting as a mortgage loan broker or is otherwise undertaking the transactions contemplated by or affected by this Agreement, Broker and each of its employees, agents and independent contractors is (1) in

BROKER AGREEMENT

good standing; (2) duly qualified and licensed to perform its obligations hereunder; (3) will, during the term of this agreement, maintain such qualifications and licenses; and (4) if not a natural person, is a corporation, partnership, or limited liability company.

- f. Crestline Funding will not accept Applications submitted by Broker on behalf of another broker who is not a party to this agreement.
- g. If Broker is not a natural person, the execution and delivery of this Agreement by Broker and the performance by Broker of the obligations by it to be performed hereunder have been duly authorized by all necessary corporate, partnership or company action.
- h. Unless disclosed to Crestline Funding in writing before the funding of any loan, Broker shall not receive any direct or indirect payment from any third party with respect to the loan, including without limitation, payment involving escrow, appraisal or sale and Broker shall not have any direct or indirect ownership in any property acting as security for the loan being reviewed by Crestline Funding for purposes of funding.
- i. All real estate appraisals made in connection with each loan shall have been performed in accordance with Crestline Funding Lending Policy and with industry standards in the appraising industry in the area where the appraised property is located.
- j. Broker has the requisite authority and capacity to enter into the Agreement.
- k. Broker shall not accept any undisclosed Broker fees for Broker's services, appraisal service, or compensation as a participant, either directly or indirectly, in a loan transaction submitted to Crestline Funding.
- l. Broker agrees that, should any of the representations and warranties made by Broker in this Agreement or any instrument delivered in connection herewith be or become untrue or inaccurate at any time in any material respect, Broker shall give prompt notice thereof to Crestline Funding. This covenant shall survive any loan closing, approval or denial, and shall continue in full force and effect after the termination of this Agreement.
- m. There are no actions, suits, or proceedings pending nor, to the knowledge of Broker threatened against or affecting Broker or the properties of Broker, any of Broker's affiliates, or any other company under which Broker is conducting business, before any court or governmental department, commission, board, bureau, or agency either foreign or domestic.

3. Broker Independent Contractor

Broker acknowledges that nothing in this Agreement shall be construed to create a joint venture between Broker and Crestline Funding. In addition, nothing in this Agreement shall be construed to make a Broker a partner, agent, representative, or employee of Crestline Funding, and Broker shall not hold itself out as such. Broker may not use Crestline Funding's name in any advertising medium. Broker agrees that it shall conduct any and all business activities with Crestline Funding in the capacity of an independent contractor. As an independent contractor to Crestline Funding, Broker shall determine the method, details and means of performing all services described within this Agreement.

4. Broker Compensation

- a. In consideration for services performed by Broker, compensation may be paid by Applicant to Broker if provided for in a separate agreement between Broker and Applicant. Crestline Funding is not and will not be a party to any agreement between Broker and an Applicant, and Crestline Funding is not responsible for collection of Broker's compensation from Applicant.
- b. Crestline Funding shall have no obligation or responsibility to pay or remit any compensation to Broker. Any compensation to be paid by Crestline Funding to Broker shall be earned upon loan funding.
- c. Broker represents and warrants that there are no claims for finder's fees or, except as otherwise set forth herein, broker fees, in connection with the transactions contemplated by this Agreement resulting from any action taken by it for which Crestline Funding will be responsible. Broker agrees to defend, indemnify and hold harmless Crestline Funding with respect to any and all losses sustained by Crestline Funding as a result of claims made against Crestline Funding by any broker or finder on the basis of any arrangement or agreement made by or on behalf of Broker not provided for herein.

BROKER AGREEMENT

5. Indemnification of Crestline Funding

As additional consideration to Crestline Funding entering into this contract with Broker, Broker shall defend, indemnify and hold Crestline Funding and its shareholders, directors, offices, agents, attorneys, employees, successors and assigns harmless from and against and shall reimburse the same with respect to, any and all loss, damage, liability, cost and expense, including reasonable attorney's fees, incurred by reason of, or arising out of, or in connection with, whether the result of negligence or intentional conduct or otherwise, as follows:

- a. Any breach of any representation or warranty contained in this entire Agreement;
- b. Broker's failure to perform any obligation hereunder; and
- c. Any claim by an applicant resulting from Crestline Funding's failure or refusal to fund a loan.
- d. Any and all refunds of Yield Spread Premiums and/or Service Release Premiums levied by Investor(s) of Crestline Funding resulting from a refinance of a loan(s) originated by Broker within twelve (12) months of the date of funding.

Without limiting the generality of the foregoing, Broker's indemnity shall extend to any and all repurchase demand(s) of any third party to which Crestline Funding has sold any loan and in which said loan was originated by Broker.

6. Crestline Funding Has Sole Discretion to Approve Loans

Loan approval shall be within Crestline Funding's sole discretion. Broker shall not represent that Crestline Funding has approved or will approve any loan until Broker is so informed by Crestline Funding in writing. Loans shall close in the name of Crestline Funding and Crestline Funding shall appear on the Promissory Note and all legal documentation. In the event that a loan application is denied, Crestline Funding shall cause to be delivered to Broker a statement of credit denial, termination or change. Broker agrees to inform applicant of the adverse action on the loan application in accordance with the regulation of the Equal Credit Opportunity Act.

7. Purchase of Loans

If Crestline Funding determines that Broker had knowledge, or through reasonable investigation should have had knowledge, that any statement, representation or warranty made to, or documentation submitted to Crestline Funding in connection with an Application whether by Broker, its agents or employees, the Applicant, or other parties, contained any untrue, inaccurate, forged, incomplete, or misleading information or statements (whether by omission or affirmative statement), Broker shall, upon Crestline Funding's demand, take any and all measures including but not limited to the prompt purchase of the loan affected thereby from Crestline Funding or assignee of Crestline Funding at a price equal to the then outstanding principal balance, plus accrued interest, together with any advances, premiums, fees, or other costs paid by Crestline Funding or assignee of Crestline Funding at any time in connection with the loan or refinance of such loan thereby paying off the lien held by Crestline Funding or assignee of Crestline Funding. Should Broker opt for the refinance of the affected loan, all accrued interest, together with any advances, premiums, fees, or other costs paid by Crestline Funding or assignee of Crestline Funding will be due and payable to Crestline Funding directly from Broker. Broker additionally shall be financially responsible to Crestline Funding for any willful misconduct or gross negligence on the part of itself, its agents or employees such that willful misconduct or gross negligence causes Crestline Funding to suffer financial loss.

In addition to its obligation to indemnify under paragraph 4, Broker shall purchase any loan at Crestline Funding's option if any promise or warrant contained in paragraphs 1 and 2 is breached. Crestline Funding shall exercise such option by written notice, which shall itemize the loan's purchase price and state whether the price should be paid to Crestline Funding or to any loan purchase. Within 10 days thereafter, Broker shall pay the full purchase price via cashier's check, certified check, or wiring of funds to an account thereby identified by Crestline Funding in the demand to repurchase. Thereafter, Crestline Funding shall promptly deliver to Broker the loan documentation, including the note and deed of trust, and appropriate instruments of assignment. If the purchase price is not paid in full by such date, then Broker also shall pay a late fee of one percent (1%) of the purchase price to cover Crestline Funding costs, which the parties agree is a reasonable sum considering all of the circumstances existing on the date of this Agreement. Acceptance of any late fee shall not constitute a waiver of default and shall not prevent Crestline Funding from exercising any other rights and remedies.

BROKER AGREEMENT

8. Change in Underwriting Standards

Broker agrees that should Crestline Funding's underwriting standard be amended at any subsequent time, the Broker shall comply with all underwriting guidelines and modifications thereto. Any changes to said underwriting guidelines may affect loans previously submitted to Crestline Funding. In the event Crestline Funding funded a loan which does not comply with guidelines, the exception must have been pre-approved in writing by Crestline Funding and Crestline Funding may fund such loans at Crestline Funding's option and sole discretion; provided, however, that any such funding shall not constitute a waiver of the guidelines and shall not obligate Crestline Funding to fund any other loans which do not conform to said guidelines.

Quality Control

Broker understands that Crestline Funding maintains an active Quality Control System and that Crestline Funding will routinely re-verify pertinent file documentation and appraisals submitted by Broker.

9. Survival of Representation and Warranties Upon Termination

It is expressly understood that all representations, promises and warranties made by Broker pursuant to this agreement shall survive any termination of this Agreement, whether voluntary or for cause. Either party upon 30 days written notice to the other party may terminate this Agreement.

10. Notice

All notices required herein shall be in writing and shall be deemed to have been given, made, and received only;

- a) Upon delivery, if personally delivered to a party;
- b) One business day after the date of dispatch, if by facsimile transmission;
- c) One business day after deposit, if delivered by a nationally recognized courier service offering guaranteed, overnight delivery; or
- d) Three business days after deposit in the United States Mail, via certified mail, postage prepaid, return receipt requested at the addresses appearing below.

12. Disclosure of Information

Broker understands and agrees that Crestline Funding may report to others instances of Broker making any written material misstatement and/or omission of a material fact concerning loan transaction and/or knowingly aiding an applicant to do the same. At the sole discretion of Crestline Funding this information may be reported to the appropriate state or federal governmental agencies and/or other person or persons that Crestline Funding may legally provide this information.

13. No Assignment of Broker's Rights or Duties

Broker shall not have the right to assign any of its duties, obligations or rights under this agreement without the prior written consent of Crestline Funding.

14. Attorney Fees

If any legal action is brought for the enforcement of this Agreement, or because of any alleged dispute, breach, default or misrepresentation in connection with any of the provisions of this Agreement, the successful or prevailing party or parties shall be entitled to reasonable attorney's fees and other costs incurred in that proceeding, in addition to any other relief to which it or they may be entitled.

15. Entire Agreement

This Agreement constitutes the entire Agreement between the parties pertaining to the subject matter contained in it and supercedes all prior Agreements, representations and understandings. No supplement, modification or amendment shall be binding unless executed by both parties, except where Crestline Funding has been specifically granted the right thereunder.

16. Enforceability of Agreement

If any provision of this Agreement is held invalid, void or unenforceable, the remaining provisions shall nevertheless continue in full force without being impaired or invalidated in any way.

BROKER AGREEMENT

17. Further Acts of Parties

Each party shall perform any further acts and execute and deliver any documents that may be reasonably necessary to carry out the provisions of this Agreement.

18. Incorporation of Exhibits

All exhibits to this Agreement shall be incorporated by this reference and considered a part of the Agreement. It is the intention of the parties hereto that this Agreement shall be construed under and according to the substantive laws of the state of California and shall not be binding until executed by Crestline Funding and Broker. All questions regarding the validity, interpretation or performance of any of its terms, representations, and warranties of any rights or obligations of the parties shall be governed by the laws of the state of California.

19. Notices

All notices required to be given may be given by registered or certified mail addressed as follows:

Crestline Funding Corporation
18851 Bardeen Avenue
Irvine, CA 92612
Attn: Wholesale

20. Right to Offset

Amounts owed by Broker to Crestline Funding under this Agreement may at Crestline Funding's option and in its sole discretion, be offset by Crestline Funding against any payments then or thereafter owed by Crestline Funding to Broker.

21. Captions

Any captions thereunder are for convenience or reference only and are not to be construed to be confining or limiting in any way to scope or content of the provisions hereof.

22. Waiver

The waiver of any breach, term, provision or condition of this Agreement shall not be construed to be a waiver of any other or subsequent breach, term, provision or condition. All remedies afforded by this Agreement of breach hereof shall be cumulative; that is, in addition to all of the remedies provided, or herein, or at law, or in equity.

CRESTLINE FUNDING CORPORATION

Signature: _____

Print/Type Name: Scott M. Brown

Title: President

Date: _____

BROKER

Signature: _____

Print/Type Name: _____

Title: _____

Date: _____

**ADDENDUM
TO
BROKER AGREEMENT**

This Addendum to Broker Agreement (“Addendum”) is made a part of and is incorporated by reference into that certain Broker Agreement (“Agreement”) made and entered into as of _____, 20____, at Irvine, California, by and between Crestline Funding Corporation (“Crestline Funding”) on the one hand, and _____, (“Broker”), on the other hand.

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is hereby agreed that this Addendum shall modify the Agreement as follows:

1. **Terms and Terminology.** Unless otherwise specified, all terms and terminology used herein shall have that meaning attributed to them in the Agreement.

2. **Section 1.** The following sub-section (f) shall be added to Section 1 of the Agreement:

Subsection f. Broker shall, both in the conduct of its business generally, and, in particular, in its handling of each application, comply fully, completely and in a timely manner with every requirement of all applicable federal and state laws dealing with the origination of mortgage loans, including without limitation upon the generality of the foregoing, the Consumer Credit Protection Act, (“CCPA”); the Equal Credit Opportunity Act and Regulation B promulgated thereunder (“ECOA”); the Truth-in-Lending Act and Regulation Z promulgated thereunder, including without limitation, those portions of Regulation Z and the Official Staff Commentary that pertain to Loan Originator Compensation, effective April 1, 2011 (“TILA”); the Real Estate Settlement Procedures Act and Regulation X promulgated thereunder (“RESPA”); and all applicable state or federal statutes or regulations governing fraud, consumer credit transactions, predatory and abusive lending, and mortgage banks and brokers in general. In connection with ECOA, Broker shall not discourage or pre-screen any applicant or in any other manner violate the terms of ECOA and Regulation B. Broker shall maintain, available for Crestline Funding’s inspection, and shall deliver to Crestline Funding upon demand, evidence of compliance with all such requirements.

3. **Section 2.** The following sub-sections (n), (o), (p) and (q) shall be added to Section 2 of the Agreement:

Subsection n. Broker further represents and warrants that the boxes checked below set forth all forms of compensation which Broker has or will enter into with any individual Loan Originator, during the term of this Agreement, with respect to

any Creditor-Paid Consumer Credit Transaction which is subject to Part 226 of Regulation Z implementing the TILA. The terms “Loan Originator” and “Creditor-Paid Consumer Credit Transaction” shall have the meanings attributed to them in said Part 226 of Regulation Z.

[Broker to check and initial each box which applies].

- Commissions. Broker pays Loan Originator(s) a pre-determined fixed commission, which does not vary by loan, loan type or loan product and which is calculated by multiplying a fixed percentage against the principal loan amount funded. Commissions may be subject to a minimum or a maximum dollar amount, or both, in Broker’s discretion.

Broker Initials

- Fixed Dollar Amount. Broker pays Loan Originator(s) a pre-determined fixed dollar amount, which does not vary by loan, loan type or loan product and which is paid in connection with each closed and funded loan, without regard to the principal loan amount funded.

Broker Initials

- Hourly Wage. Broker pays Loan Originator(s) a pre-determined hourly wage for each hour worked, which does not vary by loan, loan type or loan product and which is paid without regard to whether or not any loan(s) fund and close, and without regard to the principal balance of loans which are closed and funded.

Broker Initials

- Fixed Salary. Broker pays Loan Originator(s) a pre-determined set salary for each pay period, which does not vary by loan, loan type or loan product and which is paid without regard to whether or not any loan(s) fund and close, and without regard to the principal balance of loans which are closed and funded.

Broker Initials

- Bonuses/Other Compensation. Bonuses, if any, which Broker pays to any Loan Originator shall be paid in accordance with applicable law and shall be a function of one or more of the following:

The Loan Originator's overall loan volume (i.e., total dollar amount of credit extended and/or total number of loans originated);

The long-term performance of the Loan Originator's loan production;

Whether, and to the extent, the Loan Originator's loan production includes existing customers of Broker or new customers;

The percentage of applications submitted by the Loan Originator that result in consummated transactions; and/or,

The quality of the Loan Originator's loan files (e.g., accuracy and completeness of the loan documentation).

Broker Initials

Subsection o. During the term of this Agreement Broker will not enter into any compensation arrangement with any Loan Originator, with respect to any Creditor-Paid Consumer Credit Transaction which is subject to Part 226 of Regulation Z, other than one or more of the compensation arrangements set forth in the immediately preceding subsection (n) above, without the prior written consent of Crestline Funding.

Subsection p. During the term of this Agreement, when compensation is paid to Broker by Crestline Funding in connection with any mortgage loan which is subject to Part 226 of Regulation Z, such compensation shall constitute Broker's sole compensation with respect to such mortgage loan and Broker shall not and will not accept any other or additional compensation of any form or kind from the borrower or any third party with respect to such mortgage loan.

Subsection q. During the term of this Agreement, in connection with any Borrower-Paid Consumer Transaction, Broker understands and agrees that Broker cannot and will not receive any compensation from Crestline Funding. Broker represents and warrants to Crestline Funding that Broker will not pay any compensation of any kind to any Loan Originator in connection with a Borrower-Paid Consumer Transaction.

4. This Addendum is effective as of the date it is entered into and signed by Crestline Funding.

Agreed and Accepted:

Broker

Dated: _____

By
Authorized Representative of Broker

Agreed and Accepted:

Crestline Funding

Dated: _____

By
Its Authorized Representative

Exhibit A

Subject to the terms and conditions of the Agreement, the amount of compensation paid by Crestline Funding to Broker in connection with each Creditor-Paid Consumer Credit Transaction which is subject to Part 226 of Regulation Z, shall be calculated by multiplying the following basis points (“bps”) against the amount of credit extended:

_____ bps (Effective _____(date))

Crestline Funding and Broker may agree to amend the foregoing fixed percentage on a periodic basis; however, any such amended rate of compensation shall apply only to loan applications registered by Crestline Funding after the effective date of any such change.

Agreed and Accepted:

Broker

Dated: _____

By
Authorized Representative of Broker

Loan Originator Compensation Guide



Lending a better way!

The Federal Reserve Board is implementing new rules on 4/1/2011 under Regulation Z of the Truth in Lending Act which governs anti-steering provisions and compensation paid to loan originators (which include mortgage brokers, mortgage brokerage companies and loan officers). The Final Rule applies to all closed-end consumer credit transactions, regardless of lien position, secured by a dwelling where the creditor (Crestline Funding) receives a loan application on or after 4/1/2011.

- **Basing loan originator compensation on the loan terms, loan product, interest rate or any term or condition of a particular loan is prohibited.** Compensation based on a fixed percentage of the amount of credit extended is permitted.
- **Dual compensation is prohibited. A Loan Originator can be paid by the Lender or the Consumer but not both.** In a purchase transaction being paid by the Seller is considered being paid by the Consumer.
- **Loan originators who steer a Borrower to a loan program or Creditor based solely on the amount of compensation received is prohibited, unless the transaction is in the consumer's interest.** Loan originators will be required to present loan options so as to avoid "Steering" a Consumer. The Final Rule provides a 'Safe Harbor' to demonstrate compliance with the prohibition of steering.

Compensation Choices – Lender vs Consumer

- To comply with the changes, compensation can be paid via 2 distinct sources.
 1. Lender Paid Compensation: or,
 2. Consumer Paid Compensation
- The choice of compensation source will still be within the control of the Loan Originator and it can be determined on a transaction-by-transaction basis. For example you may use Consumer paid compensation on one transaction while the next transaction may use Lender paid compensation.
- Broker clients must establish LO compensation agreements in compliance with the Final Rule.
- Broker clients will be required to submit their Loan Officer Compensation Policy to Crestline Funding upon request.
- Broker clients will be required to sign an updated Broker Agreement that addresses additional broker client representations and warranties related to 4/1/2011 Regulation Z Changes - Loan Originator Compensation & Anti-Steering.
- Broker clients will be required to choose their Compensation Tier prior to April 1st, 2011.

Lender Paid Comp Details

- Compensation Terms will be selected by the broker client or loan originator in advance and may not vary based on loan terms, product, interest rate or conditions.
- Lender paid compensation is paid as a percentage of the principal loan amount.
- Crestline Funding follows all Fair Lending and Responsible Lending requirements and State and Federal High Cost Laws regarding maximum compensation levels.
- Compensation Term options available to broker clients or loan originators range from 50 – 300 bps in increments of 25 bps.
- Compensation Term options also include the use of a minimum or maximum dollar compensation cap. This allows our customers to ensure that they are competitive and profitable on every loan transaction.
- All broker clients will default to a lender paid plan with a 1.250% bps Compensation Tier, with no minimum or maximum compensation cap. Broker clients can select a different tier and minimum and maximum caps prior to April 1st, 2011.
- Compensation is based on the established upfront terms negotiated between the broker client or loan originator and Crestline Funding. The level of compensation selected by the broker client or loan originator will remain constant for a defined period of time.
- Crestline Funding will allow broker clients and loan originators to negotiate their Compensation terms on a Monthly Basis. Compensation plan changes need to take place on the 1-5 of each month if requested.
- Lender Paid Compensation Terms in effect at the time Crestline Funding receives your loan submission will be the compensation terms used.
- The Compensation Terms the broker client or loan originator selects will apply to all states in which they do business.
- Compensation Terms are selected at the broker client company level and cannot vary by branch office. Individual loan officer agreements will have to factor in these differences.
- Your Compensation will need to cover your origination costs including any in-house or contract processing fees. Contract processing companies are “not” considered to be bona fide 3rd Party fees.
- Crestline Funding will pay compensation directly our broker client.
- The Consumer cannot pay any compensation to the broker client or any loan originator.
- The Consumer can pay discount points to reduce the interest rate.
- The Consumer can use interest rate credits (borrower credits) to pay for 3rd party fees and/or prepaids. Any excess in premium price cannot exceed the amount of 3rd party fees by more than \$250.00. If the total of premium price is more than \$250 over 3rd party fees, then the broker client will need have to reduce the rate to the consumer.
- The consumer can pay Bona fide 3rd party costs, prepaids and Crestline Funding fees by paying cash at closing, or by financing them through the loan principal or interest rate.
- The broker client or loan originator cannot adjust any fees during the process and will always be paid the negotiated amount on each loan closed, never less or more.

- The broker client or loan originator cannot reduce the lender paid compensation amount by offering concessions, credits or pay for RESPA tolerance violations.
- The broker client or loan originator will not be able to pay fees for the Consumer under the lender paid option including lock extension fees. Please plan your lock periods carefully. It is recommended that loan originators use long term locks with excess time and take into account the possibilities of potential delays in the processing of the loan transaction.
- Seller(s) concessions cannot be used to cover broker client compensation.

Consumer Paid Comp Details

- The broker client or loan originator negotiates with the consumer directly regarding compensation.
- The amount of broker client or loan originator compensation can vary from one loan transaction to another. However, compensation from the broker client to its loan originator for any particular transaction may be compromised of only salary or hourly wage. Other aggregate bonus related compensation from the broker client to its loan originator cannot be based on the prohibited terms and conditions.
- Compensation cannot be paid through the interest rate or other prohibited terms, however it can be financed in the loan or paid in cash at closing by the consumer.
- Premium pricing cannot be used to compensate the broker client or loan originator.
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- The consumer can use interest rate credits to pay for 3rd party fees, but not the broker client or loan originator compensation. In the event the credit available for 3rd party closing costs exceeds the actual costs, the excess amount cannot be paid in cash to the consumer and will not be given to the broker client as lender paid compensation which would be in violation of the loan originator compensation rules. Any excess in premium price cannot exceed the amount of 3rd party fees by more than \$250.00. If the total of premium price is more than \$250 over 3rd party fees, then the broker client will need have to reduce the rate to the consumer.
- The broker client or loan originator may reduce their origination fee to offset RESPA tolerance violations or as an offset for other 3rd party concessions.
- No other party may provide any compensation to the broker client or loan originator, directly or indirectly, in connection with the loan transaction. Only the consumer can compensate the broker client or loan originator.
- Seller paid compensation is considered consumer paid compensation, not lender paid. If the seller, or any other party, is paying broker client or loan originator compensation, they must pay “all” of the compensation.
- Consumer paid compensation will “NOT” have a set minimum dollar-level. The maximum level of compensation is up to the Max Wholesale limit of 3.000%.
- Crestline Funding follows all Fair Lending and Responsible Lending requirements and State and Federal High Cost Laws regarding maximum compensation levels.

Compensation Comparison Chart

Highlights detailing differences and similarities between Lender Paid Compensation and Consumer Paid Compensation:

Type	Lender Paid	Consumer Paid
Amount of Compensation	The amount of compensation will be based on a set percentage of the loan amount and cannot vary from one transaction to the next.	The amount of compensation is negotiated between you and the Consumer(s) and can vary from one transaction to the next
Source of the Compensation	Crestline Funding pays the compensation directly to the Broker Client	Paid by the Consumer from their own funds to the Broker Client, either cash at closing or from loan proceeds.
Minimum & Maximum Compensation Amounts	Compensation Term options also include the use of a minimum or maximum dollar compensation cap. However, a maximum compensation limit will be set by Crestline Funding at 3.00%. This allows our customers to ensure that they are competitive and profitable on every loan transaction. Crestline Funding follows all Fair Lending and Responsible Lending requirements and State and Federal High Cost Laws regarding maximum compensation levels.	No minimum will be established however a maximum compensation limit will be set by Crestline Funding at 3.00% Crestline Funding follows all Fair Lending and Responsible Lending requirements and State and Federal High Cost Laws regarding maximum compensation levels.
Premium Pricing	May be used to cover third-party costs. Premium pricing cannot exceed third-party costs.	May be used to cover third-party costs but may NOT be used to pay any portion of the Broker Clients compensation. Premium pricing cannot exceed third-party costs.
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Anti-Steering Guidelines

The Regulation prohibits “steering” a consumer to a loan based upon the fact that the loan originator will receive greater compensation from the creditor in that transaction. Loan originators must present loan options to the consumer to avoid steering. The following is an overview of the anti-steering rules:

- The consumer must be presented with a minimum of at least three loan options, for which they are eligible or expressed an interest in, to avoid “steering” them into a specific term or product.
- For each type of transaction (i.e. Fixed Rate, Conventional, FHA, ARM, etc) in which the consumer expressed an interest in the loan options presented must include....
 - The loan option with the lowest interest rate for which the consumer qualifies.
 - The loan option with the lowest total dollar amount of points and origination fees and discount points.
 - The lowest rate for which the consumer qualifies for a loan without risky features (i.e. negative amortization, a prepayment penalty, interest-only payments, a balloon payment in the first 7 years, a demand feature, shared equity or shared appreciation).
- The options provided must be from creditors with whom the loan originator is actively doing business.
- Loan originators must obtain options from at least three creditors, unless the loan originator regularly does business with fewer than three creditors.
- Loan originators are not required to present options from multiple creditors if the borrower only qualifies for a loan from one creditor.

Crestline Funding will require an anti-steering disclosure on all loans with the required loan option(s) information signed and dated by the loan originator and consumer for all lender paid transactions.



Loan Originator Compensation Guide



Lending a better way!

The Federal Reserve Board is implementing new rules on 4/1/2011 under Regulation Z of the Truth in Lending Act which governs anti-steering provisions and compensation paid to loan originators (which include mortgage brokers, mortgage brokerage companies and loan officers). The Final Rule applies to all closed-end consumer credit transactions, regardless of lien position, secured by a dwelling where the creditor (Crestline Funding) receives a loan application on or after 4/1/2011.

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 - The lowest rate for which the consumer qualifies for a loan without risky features (i.e. negative amortization, a prepayment penalty, interest-only payments, a balloon payment in the first 7 years, a demand feature, shared equity or shared appreciation).
- The options provided must be from creditors with whom the loan originator is actively doing business.
- Loan originators must obtain options from at least three creditors, unless the loan originator regularly does business with fewer than three creditors.
- Loan originators are not required to present options from multiple creditors if the borrower only qualifies for a loan from one creditor.

Crestline Funding will require an anti-steering disclosure on all loans with the required loan option(s) information signed and dated by the loan originator and consumer for all lender paid transactions.



Compensation Election Agreement Lender Paid



Lending a better way!

On behalf of the Broker/Client set forth below ("Broker/Client"), the undersigned is authorized to elect the Compensation Percentage of the loan amount in determining the Broker/Client's Creditor-Paid Compensation, in compliance with Regulation Z of the Truth in Lending Act for all loans which Crestline Funding Corporation ("Creditor") funds for Broker/Client, where Broker/Client's borrower has chosen to have Creditor pay Broker/Client.

Creditor offers compensation between 0.50 % and 3.00%, in quarter-of-a-point increments.

Please set my compensation at: _____.

This election cannot change until the next open election period. Creditor will notify Broker/Client prior to each open election period. If Broker/Client doesn't change the election percentage amount, the initial election percentage amount will automatically renew.

Creditor also offers a maximum and minimum compensation amount. Setting a maximum compensation amount would have the effect of putting a ceiling on the compensation. Setting a minimum compensation amount would have the effect of putting a floor on the compensation. It is not required to set a minimum floor or maximum cap on compensation.

Please set my minimum (floor) compensation at \$_____.

Please set my maximum (ceiling) compensation at \$_____.

Broker/Client represents and warrants that when compensation is paid by Creditor, such compensation shall constitute Broker/Client's sole compensation relating to the loan and Broker/Client shall not accept any additional compensation from the borrower or any third party.

Please complete this form, sign and date and return to Creditor via email to brokerapp@crestlinefunding.com or facsimile at 949-863-8606.

Broker/Client's Name: _____

Broker/Client's NMLS#: _____

Broker/Client's e-mail address: _____

Signature

Date

(Please print your name)





LOAN FRAUD STATEMENT

It is company policy to support the elimination of loan fraud within the mortgage lending industry. All approved Loan Brokers should be advised that a licensed Broker bear the responsibility for all actions, performed in the course of business, of his or her employees and licensees.

EXAMPLES OF LOAN FRAUD

- Submission of inaccurate information, including false statements on loan applications and falsification of documents purporting, to substantiate credit, employment, deposit and asset information or personal information including identity, ownership/non-ownership of real property.
- Inaccurate representations of current occupancy or intent to maintain required occupancy as agreed in the security instrument.
- Lack of due diligence or concern by Broker, loan officer, interviewer or processor, including failure to obtain or divulge all information required by the application and failure to request information as dictated by Borrower's response to other questions.
- Forgery or misrepresentation of partially or predominantly accurate information.
- Acceptance of information or documentation, which is known or suspected to be inaccurate or acceptance of information which should be known to be or suspected to be inaccurate. This includes simultaneous or consecutive process of multiple owner-occupied loans from a single applicant where information differs on each application, and permitting an applicant or interested third party to assist with the processing of the loan.
- Failure of broker to disclose any relevant or pertinent information.

CONSEQUENCES OF LOAN FRAUD

The consequences of loan fraud are far-reaching and expensive. Crestline Funding Corporation stands behind the quality of its loan production. Fraudulent loans can not be sold in the secondary market, and are required to be repurchased by Crestline Funding Corporation if discovered after the fact. Fraudulent loans harm our reputation and strain our relationship with investors.

The consequences to those who participate in loan fraud are severe

Consequences to the Broker:

- Criminal prosecution which may result in possible fines and imprisonment.
- Loss of Broker license.
- Inability to access lenders caused by the exchange of legally permissible information between lenders, mortgage insurance companies, FHLMC, FNMA, police agencies, and federal regulatory agencies, including to the Department of Real Estate and Department of Corporations.
- Civil action by Crestline Funding Corporation.
- Civil action by the Borrower and/or parties to the transaction.
- Loss of approval status with Crestline Funding Corporation.



LOAN FRAUD STATEMENT
Page 2 of 2

Consequences to the Borrower

- Acceleration of debt as mandated in the security instrument (Mortgage or Deed of Trust).
- Criminal prosecution which may result in fines and imprisonment.
- Civil action by Crestline Funding Corporation and/or other parties to the transaction.
- Termination of employment.
- Forfeiture of any professional licenses.
- Adverse, long term effect on credit history.

I have read the foregoing and understand Crestline Funding Corporation's position on Loan Fraud.

Broker signature

Print Broker Name

Date