

First Source Capital Mortgage, Inc.

Please submit the following items along with your application package to expedite your approval process. If you have any questions or need additional information please don't hesitate to contact your Account Executive or our Marketing Department. We look forward to doing business with you.

The following are applicable for all customers who wish to become approved by First Source Capital Mortgage, Inc.:

- ✓ Completed, signed Broker Application
- ✓ Completed, signed Wholesale Mortgage Purchase Agreement
- ✓ Copy of applicable license(s) – (*Broker license, Lender license, Operating license, State license, etc. – as applicable*)
- ✓ Copy of branch licenses(s) (*if applicable*)
- ✓ Financial Statements – (*Most recent 2 years balance sheet and P&L*)
- ✓ Key Officer/Employee resumes – (*Showing mortgage lending experience*)
- ✓ Copy of Articles of Incorporation, Partnership Agreement, etc. (*Copy of Corporate Charter, if applicable*)
- ✓ Completed W-9 form
- ✓ Application fee of \$75.00 payable to First Source Capital Mortgage, Inc.

77 FM 3356
Van Alstyne, TX 75495
888-484-1256
903-482-1123
903-482-5646 fax





First Source Capital Mortgage, Inc.
77 FM 3356
P.O. Box 968
Van Alstyne, Texas 75495

The Secondary Market for Rural Home Loans

APPLICATION FOR
BROKER APPROVAL

SECONDARY MARKET FOR RURAL HOME LOANS BROKER APPLICATION

Broker Information

Legal Name _____

Address _____

City/State _____ Zip + 4 Code _____

Telephone _____ Toll Free _____

Fax Number _____

Date of Incorporation _____ Fiscal Year End _____

_____ Corporation under the laws _____

_____ Partnership registered in _____

_____ General or Limited _____

_____ Sole Proprietorship _____

_____ Other _____

Market Areas _____ No. of Branches _____

Parent Company _____

Address _____

Principals/ Officers (Add additional pages, if necessary)

Name _____

Name _____

Home Address _____

Home Address _____

Home Phone _____

Home Phone _____

SSN # _____

SSN # _____

Contacts

Underwriting _____ Telephone _____

Shipping _____ Telephone _____

Funding _____ Telephone _____

Follow Up Doc. _____ Telephone _____

Quality Control _____ Telephone _____

Management _____ Telephone _____

SECONDARY MARKET FOR RURAL HOME LOANS
BROKER APPLICATION

Business References (Please list names of references you are currently selling loans to)

- (1) Company Name _____
Address _____ City/State _____
Contact Person _____ Telephone _____
Length of Relationship _____ Volume last 12 months _____
- (2) Company Name _____
Address _____ City/State _____
Contact Person _____ Telephone _____
Length of Relationship _____ Volume last 12 months _____
- (3) Company Name _____
Address _____ City/State _____
Contact Person _____ Telephone _____
Length of Relationship _____ Volume last 12 months _____
-
-

Personal References (Please list names of references you are currently selling loans to)

- (1) Name _____
Address _____ City/State _____
Telephone _____
- (2) Name _____
Address _____ City/State _____
Telephone _____
- (3) Name _____
Address _____ City/State _____
Telephone _____

SECONDARY MARKET FOR RURAL HOME LOANS
BROKER APPLICATION

Agency Approvals

Agency	Mortgagee Number	Date Approved
FNMA	_____	_____
FHLMC	_____	_____
GNMA	_____	_____
VA	_____	_____

Mortgage Insurance Company Reference(s)

(1) Company _____ Contact _____
Address _____ Telephone _____

(2) Company _____ Contact _____
Address _____ Telephone _____

(3) Company _____ Contact _____
Address _____ Telephone _____

Insurance Coverage(s)	Amount	Carrier/Expiration Date
Errors & Omissions	\$ _____	_____
Fidelity-Blanket	\$ _____	_____
Fidelity-Individual	\$ _____	_____

SECONDARY MARKET FOR RURAL HOME LOANS
BROKER APPLICATION

Origination Volume**

200__ Conventional \$ _____ Government _____

200__ Conventional \$ _____ Government _____

** Please provide 2 year history on origination volume

Licensing/Qualification to do Business

List below each state in which your firm intends to originate mortgage loans for sale to FSCM. For each state that requires licensing or registration to act as a mortgage broker, banker/lender or servicer, attach a copy of our firm's current license or registration certificate and indicate license/registration number(s) below. **Note: In some state a separate mortgage lender (or banker, etc.) license in addition to any broker's license, may be required in order to close loans. ** If state law does not require license or registration, or if your firm is exempt for any reason, please provide an explanation o that effect and attach any available confirmation of your exemption:

State	License Type*	License/Registration #
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

*License Type (Banker/Lender, Broker, etc.) ** Use additional sheet, if necessary

Wiring Instructions

Institution _____

City/State _____

ABA# _____

Account # _____

Attention _____

*If multiple warehouse lines are used, please provide wiring instructions for all accounts. Attach additional sheet, if necessary.

SECONDARY MARKET FOR RURAL HOME LOANS
BROKER APPLICATION

General Certification

Has your company ever been rejected for application or had correspondent relationship terminated with another investor? _____ If yes, please give an explanation regarding the circumstances.

The undersigned certifies that:

- (1) The applicant is duly organized, validly existing and properly licensed under the laws of each state in which it originates loans, and has authority to enter into an agreement with FSCM.

- (2) The applicant will act as an independent contractor and at no time may represent that is acting as an agent for or on behalf of FSCM.

FSCM is hereby authorized to obtain verification from any source named herein and authorized to obtain a business/personal credit report(s).

This application, when approved, shall become a part of the Mortgage Selling and Servicing Guide with FSCM.

Authorized Officer

(Type Name)

(Signature)

(Title)

(Date)

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77 FM 3356

PO Box 968

Van Alstyne, TX 75495

The Secondary Market for Rural Home Loans

**WHOLESALE MORTGAGE PURCHASE
AGREEMENT**

First Source Capital Mortgage, Inc.

WHOLESALE MORTGAGE PURCHASE AGREEMENT

THIS WHOLESALE MORTGAGE PURCHASE AGREEMENT (“the agreement”) is made and entered into this _____ day of _____, 20____, by and _____ (“Broker”) in consideration of the mutual premises and conditions herein after set forth.

1. Disposition of Mortgage Loans. From time to time pursuant to this Agreement, Broker shall submit to FSCM for approval and funding building site loans and residential single family mortgage loans processed and packaged by Broker and/or processed, packaged and closed by Broker, subject to the warranties, representations and agreements set forth herein and the provisions of FSCM’s Wholesale Broker Manual (“the “Manual”), including any policies and procedures contained in program announcements, memoranda or other similar communications delivered to Broker, as may be amended from time to time, or which may be seen or found in the website www.ruralhomeloan.com.
2. Delivery of Loan Application Documents. Each loan package prepared by Broker and submitted to FSCM shall include the following:
 - a. A signed original 1003 Residential Loan Application (Form 1003) history on the applicant(s);
 - b. Verified credit, employment, deposit and mortgage payment history on the applicant(s);
 - c. A recent credit report from a credit bureau acceptable to FSCM;
 - d. A valid original appraisal report of the real estate securing the loan, which appraisal shall be made a qualified appraiser who has no direct or indirect interest in the real estate securing the loan;
 - e. Copies of all government required disclosures; and
 - f. Such other documents as reasonable requested in order for FSCM to make a credit decision.
3. Loan Approval nothing contained herein shall obligate FSCM to fund mortgage loans submitted by Broker without FSCM’s prior review and approval, which approval shall be within FSCM’s sole discretion. If FSCM declines a loan application, it shall send to the Broker the adverse action statement required by the Equal Credit Opportunity Act. If no credit is offered to the applicant by any lender, or if credit is not accepted by the applicant: provided, however, that if Broker’s adverse action notice

is delivered, it shall identify FSCM as a lender on whose behalf the notice is given.

4. Non-Exclusive Agreement. No provisions contained herein shall obligate Broker to submit all loan application packages to FSCM.
5. Fees. Any fees or commissions due to or from FSCM as a result of a funding will be paid by FSCM, or the Broker, as the case may be, in accordance with FSCM's applicable pricing/fee schedule.
6. Loans Closed by Broker. If loans closed by the Broker in Broker's name are offered to FSCM hereunder, prior approval must be obtained from FSCM and a supplemental agreement must be executed.
7. Broker's Representations, Warranties and Covenants. Broker represents, warrants and covenants as follows:
 - a. Broker is and will continue to be duly organized, validly existing and in good standing under the United States or under the laws of the jurisdiction in which it was incorporated or organized, as applicable, and has and will continue to maintain all licenses, registrations and certifications necessary to carry on its business as now being conducted, and is and will continue to be licensed, registered, qualified and in good standing in each state where property securing a loan is located if the laws of such state require licensing, registration or qualification in order to conduct business of the type conducted by Broker
 - b. The execution, delivery and performance of this Agreement by the Broker and the consummation of the transactions contemplated hereby, have been duly; and validly authorized by the Board of Directors of Broker, if Broker is a corporation, or by such individual or individuals empowered and authorized to bind Broker.
 - c. There is no action, suit, proceeding, inquiry, review, audit or investigation pending or threatened by or against Broker that, either in any one instance or in the aggregate, may result in any material adverse change in the business, operations, financial conditions, properties or assets of Broker, or that would be likely to impair materially the ability of Broker to perform under the terms of this Agreement.
 - d. To the best of Broker's knowledge and belief, having exercised reasonable diligence, all statements, documents or reports furnished or to be furnished by Broker pursuant to this Agreement

are valid and genuine and contain no untrue statement of material fact or omit to state a material fact necessary to make the statements contained therein not misleading.

- e. All applicable federal, state and local laws, rules and regulations have been complied with including, but not limited to, the Real Estate Settlement Procedures Act and Regulation X, the Equal Credit Opportunity Act and Regulation B, the Federal Truth in Lending Act and Regulation Z, the Fair Credit Reporting Act, the Flood Disaster Protection Act, the Fair Housing Act, and federal, state and local laws, rules and regulations, Including, but not limited to, those relating to licensing and those that prohibit or limit fees, charges, or costs that brokers and/or lenders may impose on borrowers.
 - f. To the best of Broker's knowledge and belief, having exercised reasonable diligence, no prior sale, pledge, assignment or hypothecation of any loan or any portion thereof has been made to any other person or entity.
 - g. To the best of Broker's knowledge and belief, having exercised reasonable diligence, the borrower has no setoffs, counterclaims or defenses to the Note or the Security Instrument securing the Note arising from the acts and/or omissions of Broker in the origination of the borrower's loan.
 - h. Broker has not modified any loan in any material respect; satisfied, cancelled or subordinated any loan in whole or in part; released the mortgaged property in whole or in part from the lien of any loan; or executed any instrument of release, cancellation, modification or satisfaction.
 - i. Broker has no knowledge, having exercised reasonable diligence, of any circumstances or conditions with respect to any loan, property securing the loan, borrower or borrower's credit standing that can be reasonable expected to cause private institutional investors to regard any loan as an unacceptable investment, cause any loan to become delinquent or adversely affect the value or marketability of any loan.
8. Repurchase Provision. Broker agrees to repurchase any loan subject to this agreement upon the terms and conditions hereinafter set forth in the event that;
- a. Any misstatement by the Broker of material fact with respect to its representations, warranties and covenants under this Agreement is

discovered by FSCM or its representative or assigns or disclosed to FSCM or its representatives or assigns by inspection by FSCM or its representatives, or otherwise; or

- b. Broker does not comply with FSCM's underwriting and closing contingencies with respect to a particular loan, and such failure impairs the ability of FSCM to sell the loan or requires the repurchase by FSCM of the loan from the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association, the Federal Agricultural Mortgage Corporation or other investor;
- c. Any material fraud or misrepresentation with respect to the information submitted on a particular loan is determined to exist by FSCM or another investor, and Broker knew or in the exercise of reasonable diligence should have known of the false or fraudulent information.

The repurchase price of any loan that Broker is required to repurchase from FSCM shall be an amount equal to the then unpaid principal balance of the loan, plus accrued interest through the date of repurchase, plus one percent (1%) of the original principal balance of such loan, and the costs and expenses, including reasonable attorney's fees, incurred by FSCM in connection with the repurchase.

- 9. Refund for Prepayment of Loan. If the Broker causes, aids or promotes the refinancing of any mortgage loan acquired by FSCM hereunder within six (6) months following the date of closing and/or disbursement of such loan, Broker consents to pay FSCM an amount equal to one percent (1%) of the principal balance of such loan. Alternatively, FSCM, at its sole option may waive the payment of the one percent (1%) amount referenced above if Broker contacts FSCM prior to the closing of the refinance transaction and negotiates a purchase price for the new loan in any amount satisfactory to FSCM.
- 10. Indemnifications. Broker agrees to indemnify, defend and hold harmless FSCM from and against any and all claims, losses, costs or damages, including, but not limited to, reasonable attorney's fees and expenses (I) arising out of any act or omission of Broker or any employee or agent of Broker; (II) arising in connection with or out of the failure of Broker to comply with any applicable statutes, rules or regulations; or (III) Arising out of Broker's failure to perform any of its obligations hereunder; or (IV) arising out of or in connection with any falsity, incorrectness or incompleteness in any material respect of any representation or warranty make by Broker herein.

11. Termination. Either party may terminate this Agreement with or without cause at any time by giving written notice to the other party, and such termination shall be effective upon the party's receipt of remain in full force and effect notwithstanding the termination of this Agreement. Any such termination will not affect applications for loans, if any, that have been licked in with FSCM prior to the effective date of termination.

12. No Agency. This Agreement and transactions entered into pursuant hereto shall not create between Broker and FSCM a relationship of agency, legal representation, joint venture, partnership or employment, and Broker and FSCM agree that neither party is in any way authorized to make any contract, agreement, warranty or representation, or to create any obligation, express or implied, on behalf of the other.

13. Assignment. Broker shall not have the right to assign this Agreement or any of its duties, obligations or rights hereunder without the prior written consent of FSCM.

14. Notices. Any notice or demand that is required or permitted to be given by a provision of this Agreement shall be deemed to have been sufficiently given if either served personally or sent by prepaid first class, registered, or certified mail, addressed to the party at its address set forth below:

Broker: _____

 Attn: _____

FSCM:P.O. Box 968
 Van Alstyne, TX 75495

Either party may change its address by notice to the other.

15. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas and any applicable federal laws.

16. Entire Agreement. This Agreement and the Manual constitute the entire agreement between the parties and supersede all prior and

contemporaneous agreements, representations and understanding. All changes, additions or deletions to this Agreement must be made in writing and signed by each of the parties hereto.

- 17. Acceptance. This Agreement shall become binding upon acceptance by FSCM at its home office in Van Alstyne, Texas.

In Witness Whereof, FSCM and Broker have executed this Agreement as of the day and year first above written.

BROKER: _____

By: _____

Its: _____

FIRST SOURCE CAPITAL MORTGAGE, INC.

By: _____

Its: _____