

Processing
Done
Right



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25346 Lacebark Drive
Murrieta, CA 92563



MORTGAGE LOAN PROCESSING AGREEMENT

This agreement is made between Processing Done Right, 25346 Lacebark Drive, Murrieta, CA 92563, Phone (818) 510-3560, Fax (818) 304-7141, email: info@processingdoneright.com, (hereinafter "PDR") and _____,

(Business) (Address) _____, _____, _____, Phone: _____, Fax: _____
(City) (State) (Zip)
(hereinafter "Client"), the day and year set forth.

This agreement is effective this _____ day of _____, 20____ and shall automatically renew annually on the anniversary date of the agreement for an additional one (1) year.

WHEREAS, Processing Done Right, is engaged in the business of providing clerical mortgage loan processing services, and is not a mortgage broker; and WHEREAS, Client has agreed to contract with PDR to perform such services under the terms hereinafter set forth; NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is here acknowledged, the parties agree as follows:

1. Services to be Performed by PDR

- A. The Client may submit mortgage loan applications it has originated to PDR for loan processing. PDR agrees to promptly and diligently process such loan applications in compliance with all known applicable laws and regulations. PDR will make every effort to ensure that loan packages are fully processed to the extent that the Client's chosen lender's requirements are satisfied. In processing mortgage loan applications for Client, PDR shall:
1. Process loan packages as per generally accepted methods common in the mortgage industry. Such methods shall be determined by PDR.
 2. Submit loan packages to lender of Client's choice.
 3. Run automated submissions on a case-by-case basis (with Client's login codes).
 4. Follow up submissions with conditions required by lender after receiving completed conditions from Client.
 5. Order verifications of employment, verifications of deposit, verifications of mortgage payments, etc. if applicable.
 6. Order property appraisals on Client's behalf if necessary.
 7. Order preliminary title reports on Client's behalf if necessary.
 8. Open escrow accounts on Client's behalf if necessary.
 9. Lock interest rates for loan packages at Client's request, Client's loan officer's request, or other representative in a position to make such request. Rate lock requests will be accepted

by PDR only with the explicit understanding that PDR is not responsible for missed lock opportunities.

10. Submit broker demand for payment to Client to escrow company on Client's behalf.

11. Return completed loan file to Client. PDR does not keep copies of loan files once a file is closed or cancelled. All copies are returned to Client or securely shredded.

B. PDR may fill out order forms on Client's behalf in order to secure appraisals, credit reports, title insurance, surveys, verifications, and other documentation necessary to perform its processing obligations. It is understood that PDR orders these documents as a courtesy to Client, and Client agrees to accept financial responsibility for any and all documents ordered in connection with the processing of Client's loan packages. Client also agrees to accept financial responsibility for all courier fees, overnight delivery fees, etc. that may be incurred in connection with the processing of Client's loan packages.

2. Compensation

A. In consideration for the "Services to be performed by PDR," Client understands and agrees, the method of payment of all fees due PDR, accrued pursuant to the terms of this agreement, shall be by direct payment by one of two third parties. Those parties are first, the designated closing agent and second, the lender involved in each transaction. By signing this agreement, including separate Attachment A, Client pledges its complete support for this stated method of payment of fees due PDR, and further pledges to include PDR fees on the broker fee sheet (broker demand) in all cases possible. Both Client and PDR acknowledge there may be exceptions in which cases PDR's fees may be bundled with the Client's fees and may be disbursed by the closing agent, or lender, to a corporate office, net branch corporate office, or the Client itself. In these exception cases, the Client pledges complete support, including instructing the closing agent to deduct from funds due Client, fees due PDR and forward them directly to PDR. The Client further promises to pay PDR within 24 hours of receipt of any funds of which PDR fees are bundled, or instead as follows:

N/A

B. PDR fees and charges are listed on the attached Loan Processing Fee Addendum.

C. Client is responsible to notifying PDR whether the processing fee should be included in the fees and paid directly from escrow (as a third party processing fee) or if Client wishes to pay PDR directly from Client's commission.

D. If PDR is not notified at time of submission, the file will be submitted with no fees added to the file as a third party and it will be the Client's responsibility to pay PDR's fees within 24 hours of recording of file.

3. Responsibilities of Client

A. Client agrees to provide PDR with a full original loan package for each submission including the following items (Client agrees to keep a "shadow" copy of each loan package submitted to PDR):

1. Completed and signed Fannie Mae Form 1003 or Fannie Mae POINT File 3.2.
2. All appropriate disclosures including the Fee Sheet from designated closing company in order to produce the Loan Estimate
3. Earnest Money Agreement if applicable.
4. Credit report.
5. All necessary documents from borrower including, but not limited to:
 - a) W2's,
 - b) Federal tax form 1040 and any additional necessary tax forms,
 - c) Necessary bank statements,
 - d) Retirement funds information,
 - e) 401k information if applicable,
 - f) Stocks, bonds, etc. information,
 - g) Current pay stubs,

- h) Last two (2) years landlord information, including name, address, and phone number, if applicable
- i) Homeowner's insurance information,
- j) HUD closing cost booklet,
- k) Any other information necessary to close the loan.

Client also agrees to the following:

B. Client shall choose the lender and loan program to which PDR will submit the loan package.

C. Client shall lock all loans and provide PDR with the lock terms, except as outlined and understood by Client in 1-A-9 above. Clients may send electronic authorization to PDR to request the lock be completed. Without written consent, PDR will not lock the loan.

D. Client shall keep PDR informed in a timely manner of all changes to a loan package that may occur after initial submission.

4. Disclosures

PDR assumes no liability for errors or omissions of third parties on loan applications, submitted paperwork from any party including the Loan Estimate or Closing Disclosure, from Client, or loan closing documentation. Client is fully responsible for all areas of each loan file submitted and is liable as the originator. PDR assumes no responsibility for accuracy on any loan application (ie: income calculations, errors on REO, fees, credit complications) as PDR is not an origination brokerage. Client is entirely responsible for verifying closing figures and all loan documents prior to signing, as well as ensuring that all loan documents meet state and federal guidelines and compliance.

A. TRID

Client is responsible to notify PDR of escrow company involved in any transaction as to obtain fee worksheets for third party vendors. PDR holds no liability for transaction held up due to negligence of any third party companies. It is Clients responsibility to ensure third party vendors (ie: title, escrow companies) deliver any items requested, that are needed for Loan Estimates and/or Closing Disclosures, in a timely manner.

Client needs to be aware that every Lender is handling TRID differently. Based on the Clients chosen Lender, the Client needs to be aware of how the Lender will accept and/or process the initial Loan Estimate. It is the Clients responsibility to verify with their Lender how TRID items are handled. PDR will perform to the best of our ability, in a timely fashion, to adhere to all Lenders request in reference to TRID. PDR holds no responsibility for any errors or delays due to lenders guidelines.

PDR is not responsible for Loan Estimates that are produced by the Lender. In the event that PDR is to produce the Loan Estimate for the Lender, it is the Clients responsibility to review said items for accuracy.

Due to the new TRID ruling, a Closing Disclosure must be sent out, by the Lender, 3 days before loan documents can be released. It is the Clients responsibility to have a valid email for the borrower or to obtain a signature on said form, to avoid any closing delays. Failure to have your borrower e-consent and/or live sign this document could possibly result in an additional 7 day waiting period prior to closing, as the Closing Disclosure will need to be mailed out via United States Post Office and there is a waiting period.

5. Third Party Contact

A. Due to potential liability issues, PDR shall have limited direct contact with any third parties regarding loan progress or status. Only in rare cases will PDR contact Client's borrowers for additional information, and Client must give permission to PDR to have contact with any borrower. PDR will not discuss the status of loans or negotiate any terms with Client's borrowers. All communication with Client's borrowers should be through Client or Client's representatives only.

B. Additionally, PDR shall not contact any realtors, real estate brokers, or their representatives in connection with any loan package and will not offer any information

regarding the status or any other aspect of the loan package. All communication with realtors and such shall be through Client or Client's representatives only.

C. PDR reserves the right to limit contact with any third party at PDR's sole discretion.

D. Exceptions to this section (5) include, but are not limited to:

1. Escrow and Title companies.
2. Lenders.
3. Credit recording companies.
4. Property appraisers.
5. Any party to whom Client gives PDR permission, written or verbal, to contact.
6. Confidentiality

PDR acknowledges that it may receive, during the term of this Agreement, information of a confidential nature. PDR shall receive and retain said information in the strictest confidence without disclosure to third parties, without the permission of Client, to keep such information confidential. PDR shall take the necessary steps to maintain the confidentiality of Client's confidential information. Such confidential information includes, but is not limited to, borrower personal and financial information. All unnecessary information shall be promptly securely shredded. This covenant of confidentiality shall continue for the term of this Agreement and survive its expiration or early termination.

7. Non-solicitation

PDR agrees that it will not solicit any of the borrowers whose loan applications are submitted to PDR for the purpose of obtaining loans for such borrowers. PDR shall not convey or transfer any loan application information to any other company without specific written permission from Client.

8. Agreement Not To Compete

IT IS HEREBY MUTUALLY AGREED, and PDR acknowledges that, the systems and procedures developed by the CLIENT are valuable trade secrets of the CLIENT. The systems and procedures have been developed through the expenditure of substantial time, effort and money, which the CLIENT wishes to maintain in confidence and withhold disclosure to other persons. PDR hereby agrees that any information, knowledge and factual data related to said systems and procedures will not be communicated to any third party, except employees of PDR for their use in performing their duties.

9. Terminating the Agreement

Each party has the right to terminate this Agreement if the other party has materially breached any obligation herein and such breach remains uncured for a period of thirty (30) days after notice is sent to the other party.

This Agreement shall terminate automatically on the occurrence of bankruptcy or insolvency of either party. If either party's business is sold, this Agreement shall remain intact as is for the duration of the Agreement. Either party may terminate this Agreement on sixty (60) days written notice to the other, known as the termination period. Any loan packages submitted to PDR by Client prior to a notice to terminate this Agreement shall remain the responsibility of PDR and shall be processed by PDR in accordance with this Agreement during the termination period. Upon the completion of the termination period, all fees due PDR shall be immediately paid to PDR in exchange for all loan packages in PDR's possession and not closed. A fee, up to and including the full processing fee as listed on the attached Loan Processing Fee Addendum, will be assessed for each loan processed or in process depending on the extent of the work performed. At Client's request, the termination period may be eliminated if Client agrees to compensate PDR the amount of two hundred fifty dollars (\$250.00) per loan application in process and not closed to cover PDR's expenses for data

input, loan processing, etc. to that point in exchange for such loan packages in PDR's possession. Loans processed to "ready for docs" status will incur the full processing fee.

10. Severability

If any part of this Agreement is held unenforceable, the rest of this Agreement will continue in effect. This Agreement contains the entire agreement and understanding of the parties hereto with respect to the subject matter hereof. Except as expressly set forth herein, there are no representations, agreements, guarantees, or understandings, oral or written, among the parties hereto relating to the subject matter of this Agreement.

11. Notices

All notices and communications in connection with this Agreement shall be in writing and shall be considered given as follows:

- A. When delivered personally to the recipient's last known address,
 - B. Three (3) days after being deposited in the United States mail, with postage prepaid to the recipient's last known address, or
 - C. When sent by fax to the last fax number of the recipient known to the person giving notice.
- Notice is effective upon receipt provided that a duplicate copy of the notice is promptly given by first class mail, or the recipient delivers a written confirmation of receipt.

12. No Partnership

This Agreement does not create a partnership relationship. Client acknowledges that PDR is not an employee of Client, and PDR and Client act as independent agents. Client agrees that it will not at any time use the name or logo of Processing Done Right in any business transactions whether verbally or in print without express written authorization of PDR. PDR shall not be responsible for the actions or failures of Client, its agents, or representatives, nor shall Client be held responsible for any actions or failures of PDR, its agents, or representatives.

13. Applicable Law

This Agreement will be governed by, and construed in accordance with, the laws of the state of California.

14. Resolving Disputes

If a dispute arises from, under, or related to this Agreement, the parties agree to first try to resolve the dispute with the help of a mutually agreed upon mediator in California. If the mediation is unsuccessful, the parties agree the dispute shall be decided by binding arbitration under the rules of the American Arbitration Association.

15. Attorney's Fees and Venue

If suit or action is instituted in connection with any controversy arising out of this Agreement or in the enforcement of any rights hereunder, the prevailing party shall be entitled to recover, in addition to costs, such sums as the court may adjudge reasonable as attorney's fees, including fees on any appeal. In the event suit is maintained for the enforcement of any term of this agreement, or in the event any of the parties seek damages because of this Agreement, such suit shall be maintained in Murrieta, California.

16. Indemnification

The Client shall indemnify, defend and hold PDR harmless from any and all claims, liability, and costs arising out of, or in any way connected with the Client's performance under this Agreement. PDR is also not responsible for any files that do not close.

17. Zero Tolerance

PDR retains a zero tolerance for loan fraud. PDR reserves the right to cancel any loan file when fraud is suspected. Client is subject to termination from this agreement if PDR believes the fraud was at the direction of the Client or any of his/her employees or agents. PDR reserves the right to report any fraudulent activity to appropriate State and Federal agencies.

18. Modifying the Agreement

This Agreement may be amended only in writing and must be signed by both an authorized representative of PDR and Client. However, PDR reserves the right to amend fees and company policies as necessary without Client’s consent, with proper notice.

19. Exclusive Agreement

This is the entire Agreement between PDR and Client as of the date signed below.

IN WITNESS WHEREOF, THE PARTIES HAVE EXECUTED THIS AGREEMENT AS SET FORTH ABOVE.

Client: _____

Business Name: _____

By: _____
(Authorized Representative Signature)

Date: _____

Title: _____
(Typed or Printed Name)

Processing Done Right

By: _____

Date: _____