



Dear Broker,

Provident Bank Mortgage is very interested in having you join our team! Enclosed you will find our broker application package for your completion.

Provident Bank Mortgage is a full service mortgage banker with the parent, Provident Bank, providing portfolio capacity. Our philosophy parallels that of Provident Bank, in that mortgage lending is a cooperative effort between BUILDER, BROKER, LENDER and WALL STREET. Cooperation that enables us all to accomplish the ultimate goal – THE SALE OF THE PRODUCT.

Through our Regional Wholesale Loan Center and strong correspondent base, Provident Bank Mortgage has created a dynamic residential real estate lending network.

QUALITY PRODUCT... QUALITY SERVICE... QUALITY STAFF

The key to our success is in providing sound lending programs, with premier service that emphasizes strong communication by a staff of dedicated professionals. The performance of Provident Bank Mortgage and Provident Bank will be your link to the most profitable investment opportunity in the real estate market today.

In order to quickly process your application for approval and avoid any delays, it is important that we receive all of the following items, fully completed:

- **ORIGINAL BROKER APPLICATION** – signed by broker & all principals
- **ORIGINAL BROKER AGREEMENT**-signed by broker & all principals **ORIGINAL LOAN FRAUD POLICY**-signed by broker & all principals
- **ORIGINAL CREDIT AUTHORIZATION**-signed by broker & all principals
- **RESUMES FOR BROKER OF RECORD, PRINCIPAL AND UNDERWRITER** - current
- **MORTGAGE BROKER LICENSE(S) FOR ALL BRANCHES** (must show DBA and current address)
- **COPY OF CURRENT CITY (OR LOCAL JURISDICTION) BUSINESS LICENSE(S) FOR ALL BRANCHES**
- **FINANCIAL STATEMENTS CURRENT YEAR** (P&L and Balance Sheet)
- **HIRING PROCEDURE** – for checking all employees involved in the origination of mortgage loans against the U.S. General Services Administration (GSA) Excluded Party List and the HUD Limited Denial of Participation List (LDP List).
- **QUALITY CONTROL PROGRAM**
- **ORIGINAL W9** – complete and fully executed

We are looking forward to doing business with you soon. Please feel free to call our **Regional Wholesale Loan Center at (800) 733-3657** if you have any questions.

Northern California applications should be sent to the Pleasanton address and Southern California to the Rancho Cucamonga address. Please return your completed broker package along with your required exhibits to **(no faxes allowed)**:

Provident Bank Mortgage	Provident Bank Mortgage
5934 Gibraltar Dr., Suite 102	10370 Commerce Center Dr., Suite 110
Pleasanton, CA 94588	Rancho Cucamonga, CA 91730
Attn: Lynda Leon	Attn: Lisa Ledesma

Upon review and approval of your package, you will be assigned a Broker ID number and a submission sheet with your new ID number for all future loan submissions.

BROKER APPLICATION CHECKLIST



A/E:

BROKER NAME:

ITEMS
<input type="checkbox"/> Broker Agreement Initialed and Signed
<input type="checkbox"/> Amendment to Broker Agreement Signed
<input type="checkbox"/> Mortgage Broker (RESPA) Addendum
<input type="checkbox"/> Loan Fraud Policy Initialed and Signed
<input type="checkbox"/> Submission Procedures
<input type="checkbox"/> Lender-Paid Compensation Plan Addendum
<input type="checkbox"/> PBM Broker Designation of TPO Manager
<input type="checkbox"/> PBM TPO Connect List of Loan Officers and Key Personnel
<input type="checkbox"/> Personnel List
<input type="checkbox"/> Broker's Quality Control Plan
<input type="checkbox"/> Hiring Procedures
<input type="checkbox"/> LDP/GSA Certification
<input type="checkbox"/> License / NMLS Verification / Copy of Broker or Officer License
<input type="checkbox"/> Copy of current Business License for all branches being approved
<input type="checkbox"/> Resume of Broker of Record & Principals
<input type="checkbox"/> Resume of Escrow Officer (If Applicable)
<input type="checkbox"/> Current Profit & Loss Statement (Signed)
<input type="checkbox"/> Current Balance Sheet (Signed)
<input type="checkbox"/> Signed W-9 Form
<input type="checkbox"/> All Originals



AUTHORIZATION FOR CREDIT REPORT

In connection with your application for Broker Approval and continued eligibility, the Independent Contractor understands that a non-inquiry credit report will be requested on broker and principals of your company from the following company:

HireCheck, Inc.
805 Executive Center Drive West, Suite 300
St. Petersburg, FL 33702
800-321-4473

If you would like to receive a copy of the report, please check the box next to your signature and we will send a copy to you within three days.

By signing below, you hereby authorize Provident Bank Mortgage to request HireCheck, Inc to run a non-inquiry credit report:

BROKER/PRINCIPAL PRINTED NAME:

BROKER/PRINCIPAL SIGNATURES:

BROKER APPLICATION

PBM Account Executive _____



COMPANY NAME			
DBA			
NMLS#			
ADDRESS			
CITY/STATE/ZIP			
TELEPHONE		FAX	
E-MAIL			

ADDITIONAL BRANCH LOCATIONS require separate request. Each DBA or company name requires a separate application and agreement.

Has your company or any member of your staff been disbarred or suspended from doing business with any government agency or lender: YES NO

Does your company own an escrow company or conduct its own escrows? Yes _____ No _____

If yes, what % of transactions do you process through this escrow?

Under what name and location does the Escrow Company operate?

Address:

Mark one entity type:

- Corporation Limited Liability Corporation Limited Partnership
 General Partnership Individual/Sole Proprietorship EIN# _____

If Partnership or Corporation complete below:

SSN# _____

Date of Formation: _____ County/State: _____

How is your company licensed?

- Residential Mortgage Lender (DOC / CRMLA) # / Exp Date: _____ / _____
 Dept of Real Estate (Circle one) Corporation or Broker
 (DRE) # / Exp Date: _____ / _____

BROKER OF RECORD		SOCIAL SECURITY #	
HOME ADDRESS			
CITY/STATE/ZIP			
PRINCIPAL OFFICER		SOCIAL SECURITY #	
HOME ADDRESS			
CITY/STATE/ZIP			
PRINCIPAL OFFICER		SOCIAL SECURITY #	
HOME ADDRESS			
CITY/STATE/ZIP			
VOLUME	CONVENTIONAL	FHA / VA	TOTAL \$
YTD (2018)	\$ _____	\$ _____	\$ _____
2017	\$ _____	\$ _____	\$ _____
2016	\$ _____	\$ _____	\$ _____

Please provide the names and contact representative for 5 major lenders you are currently approved to broker loans to that can provide a reference.

PLEASE LIST 4 LENDING REFERENCES WITH WHOM YOU DO BUSINESS

COMPANY NAME	CORPORATE CONTACT	PHONE NUMBER

PERSONNEL PROFILE (must list all staff)

PRINCIPAL/OWNER	MANAGER	LOAN AGENTS	LOAN AGENTS	PROCESSORS

PROVIDENT BANK MORTGAGE will run credit non-inquiry reports on the principal officers and the broker of record of your company. If you are approved by PROVIDENT BANK MORTGAGE, you will act as an independent contractor, and, in no event, shall be considered an agent or representative of PROVIDENT BANK MORTGAGE. The undersigned declares that, to the best of their knowledge, the statements set forth herein are true and correct. PROVIDENT BANK MORTGAGE is hereby authorized to obtain verification from any source named herein, and order credit reports and/or independent background investigations on the application. PROVIDENT BANK MORTGAGE agrees that any financial information provided herein or any references contacted will be treated as confidential.

Principal Signature _____ Date: _____

2nd Principal Signature _____ Date: _____

3rd Principal Signature _____ Date: _____

Broker of Record Signature: _____ Date: _____

WHOLESALE BROKER AGREEMENT

THIS AGREEMENT is made and entered into this _____ day of _____, 20____ by and between PROVIDENT BANK MORTGAGE, a division of Provident Savings Bank, FSB ("BANK") and _____ ("BROKER").

HEREAS, Broker desires to broker loans to BANK and BANK desires to fund loans:

NOW, THEREFORE, in consideration of the premises and of the mutual covenants made herein, and of other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1. ORIGINATION AND FUNDING OF LOANS: Subject to the terms and conditions of this Agreement, broker agrees to process loan packages for conventional loans in accordance with this Agreement, the Broker Policies attached hereto as Exhibit A, and with the procedures and policies of BANK as published to Broker from time to time, and BANK agrees in its sole discretion to fund those loans it deems acceptable. Notwithstanding any provision to the contrary, the decision whether any loan shall be made, and if so, in what amount and under what terms, is in the sole decision of BANK and BANK shall have no obligation whatsoever to accept or fund any loan which is not approved in writing by BANK in its sole discretion. "The relationship between Broker and Bank is not exclusive and Broker and Bank shall be free to engage in business with any other persons or entities."

2. SUBMISSION PROCEDURES: The submission procedures set forth the general terms and conditions under which the Broker is to prepare the loan packages for submission to BANK and is attached hereto as Exhibit A.

3. DUTIES OF BROKER:

(A) On each loan application Broker shall: follow the procedures prescribed by BANK as to appraisals; provide the required borrower's credit documentation directly from the original sources, prepare the required borrower's employment documentation; submit the package to BANK for an underwriting and appraisal determination of the entire credit and property package prior to funding.

(B) All loan applications shall be for loans secured by a Deed of Trust.

(C) Broker shall determine whether any requirements imposed as a condition of funding a loan by BANK have been completed, and if Broker finds them completed, Broker shall certify that such matters have been fully performed or completed in accordance with the terms and conditions imposed. By such certification, Broker shall assume all responsibility to remedy any deviation, deficiency or defect, and for any liability, loss or damage to BANK resulting from such deviation, deficiency or defect.

(D) Broker acknowledges that all approval conditions must be met prior to funding.

(E) On each loan for which an interest rate is locked with Bank, Broker shall exercise best and good faith efforts to deliver said loan to Bank. If the loan has been canceled, or does not qualify, the wholesale loan center must be notified.

(F) Broker shall comply with all local, state and federal laws, and regulations applicable to the organization and conduct of business by Broker and as applicable to each loan and loan application arranged, processed or brokered by Broker including without limitation, all licensing laws and regulations, and all consumer and disclosure laws and regulations including, without limitation, ECOA, Fair Housing Act, the Truth in Lending Act and Regulation Z, the Real Estate Settlement Procedures Act and Regulation X, the National Affordable Housing Act, the Home Mortgage Disclosure Act, the Flood Disaster Protection Act, all as amended from time to time. Broker shall further comply with all procedures, directives and regulations of institutional investors and government administrative agencies including, without limitation, FNMA, FHLMC HUD and VA

(G) Broker shall be financially responsible for any errors or omissions by Broker (including its employees) on loans submitted by Broker, which cause BANK to suffer any liability, damage or financial loss.

(H) Broker possesses all necessary licenses, permits, and authority to engage in the activities contemplated by this Agreement, and Broker is in full compliance in all respects, and in good standing, with all regulatory and supervisory agencies having jurisdiction over Broker.

(I) Except as otherwise disclosed to BANK in writing before the funding of any Loan, Broker shall have no direct or indirect ownership interest in any property acting as security for the Loan, or affiliation or relationship with any other party having a financial interest in the Loan or the Loan transaction.

4. SPECIFIC REPRESENTATIONS AS TO LOAN PACKAGES:

(A) Broker makes the following representations and warranties to BANK with respect to each loan package, each of which shall be deemed to have been made as of the Agreement date and/or the funding date.

(1) None of the statements or "information" contained in any document submitted with or included as part of the application package, or in any document reviewed in connection with Bank's underwriting decision, contains or will contain any misleading, false or erroneous statements, or omit material facts necessary to make such statements or information accurate and understandable in every respect. For purpose hereof, "information" shall mean any and all information obtained from the borrower or any reference source that would, according to standard practices and procedures in the mortgage lending industry, be within the control or knowledge of the broker.

(2) Each loan package conforms in all respects to the requirements as set forth in the Submission Procedures.

(3) Each proposed loan has been prepared in conformance with all applicable laws and regulations and shall be free from any fraud or misrepresentation with regard thereto.

(4) In the event any funded loan(s) does not meet, or is potentially not prepared in conformance with any of the aforementioned requirements, Broker agrees that BANK shall have the right to withhold any commissions due, until such time as the matter is resolved and the entire package is in conformance with the aforementioned requirements.

(5) Except as previously disclosed by Broker to BANK in writing, there is not pending or threatened any suit, action, arbitration, or legal, administrative, or other proceeding or governmental investigation (including an allegation of fraud by another lender) against Broker or its current or former owners, agents, or employees which could have a materially adverse effect on the Broker's business, assets, financial condition, or reputation, or upon any Loan submitted for funding, or previously funded, by BANK.

(6) No borrower shall have had in its direct or indirect possession or control any credit, income, or deposit verification document submitted to BANK with respect to any Loan.

(B) The Broker shall indemnify and hold BANK harmless from and against any loss, cost, damage, claim or expense, including reasonable attorney's fees and costs, which BANK may sustain and which arises out of or is in any way related to, a breach by the Broker of the representations and warranties, set forth in this Agreement. In the event that BANK discovers any misrepresented "information" as defined in 4(A)(1), after the date of funding the loan, BANK can, in its sole discretion, require Broker to repurchase the loan in its entirety, plus reimburse BANK for any costs and expenses incurred.

(C) The foregoing representations, warranties and indemnity obligations of Broker shall survive any termination of this agreement and shall be binding upon Broker notwithstanding any independent review, investigation or underwriting undertaken by Bank or any other person of any loan application or other matter submitted by Broker to Bank.

5. DOCUMENTATION: In the event a loan package is incomplete, Broker shall supply missing required documentation within 3 business days. A loan package missing documentation shall not be funded until such time as all required documentation has been received.

6. COMPENSATION: Broker shall be compensated for its services hereunder as specified in the schedule incorporated by reference attached hereto as Exhibit B.

7. AGREEMENT OF CONFIDENTIALITY:

(A) **"Confidential Information"** - Confidential Information of Broker and Bank (hereafter each the "party") shall mean and include information about hardware, software, screens, specifications, designs, plans, drawing, data, prototypes, discoveries, research, developments, methods, processes, procedures, improvements, "Know-how", compilations, market research, marketing techniques and plans, business plans and strategies, customer names, and all other information related to customers, price lists, pricing policies and financial information or other business and/or technical information and materials, in oral, demonstrative, written, graphic or machine-readable form, which is unpublished, not available to the general public or trade, and which is maintained as confidential and proprietary information by the disclosing party for regulatory, customer relations, and/or competitive reasons. Confidential information shall also include such confidential and proprietary information or material belonging to a disclosing party of or to which the other party may obtain knowledge or access through or as a result of the performance of its obligations under this Broker Agreement. Confidential Information also includes any information described above which the disclosing party has obtained in confidence from another party who treats it as proprietary or designates it as Confidential Information, whether or not owned or developed by the disclosing party.

(B) Protection of Confidential Information

- (i) Each party agrees not to use Confidential Information of the other party for any purpose other than the fulfillment of such party's obligations to the other party under this Broker Agreement. All Confidential Information relating to a party shall be held in confidence by the other party to the same extent and in at least the same manner as such party protects its own confidential or proprietary information. Neither party shall disclose, publish, release, transfer or otherwise make available Confidential Information of the other party in any form to, or for the use or benefit of, any person or entity without the other party's consent. Each party shall, however, be permitted to disclose relevant aspects of the other party's Confidential Information to its officers, agents, subcontractors, and employees to the extent that such disclosure is reasonably necessary for the performance of its duties and obligations under this Broker Agreement and such disclosure is not prohibited by Gramm-Leach-Bliley Act of 1999 (Public Law 106-102, 113 Stat. 1138), as it may be amended from time to time (the "GLB Act"), the regulations promulgated thereunder or other applicable law; provided, however, that such party shall take all reasonable measures to ensure that Confidential Information of the other party is not disclosed or duplicated in contravention of the provisions of this Broker Agreement by such officers, agents, subcontractors, and employees. Each party further agrees promptly to advise the other party in writing of any misappropriation, or unauthorized disclosure or use by any person of Confidential Information which may come to its attention and to take all steps reasonably requested by the other party to limit, stop or otherwise remedy such misappropriation, or unauthorized disclosure or use. If the GLB Act, the regulations promulgated thereunder or other applicable law now or hereafter in effect imposes a higher standard of confidentiality to the Confidential Information, such standard shall prevail over the provisions of this Broker Agreement.
- (ii) Each party shall warrant that appropriate measures designed to protect against unauthorized access to or use of Confidential Information, including customer or consumer information, have been implemented and are adequately maintained. Each party shall warrant that Confidential Information, including customer or consumer information is properly disposed of in a timely manner consistent with the appropriate disposal technique specific to the type of record (i.e. paper records, computer-based records, etc.).
- (iii) Each party shall, at a minimum, protect the Confidential Information of the other party in the same manner as it protects its own Confidential Information.

(C) Exceptions

- (i) Notwithstanding anything to the contrary contained herein, neither party shall have any obligation with respect to any Confidential Information of the other party, or any portion thereof, which the receiving party can establish by competent proof (including, but not limited to, ideas, concepts, "Known-how" techniques and methodologies): (i) is or becomes generally known to companies engaged in the same or similar business as the parties hereto on a non-confidential basis, through no wrongful act of the receiving party; (ii) is lawfully obtained by the receiving party from a third party which has no obligation to maintain the information as confidential and which provides it to the receiving party without any obligation to maintain the information as proprietary or confidential; (iii) was known prior to its disclosure to the receiving party without any obligation to keep it confidential as evidenced by tangible records kept by the receiving party in the ordinary course of its business; (iv) is independently developed by the receiving party without reference to the disclosing party's Confidential Information; or (v) is the subject of a written agreement whereby the disclosing party consents to use or disclosure of such Confidential Information.
- (ii) If a receiving party or any of its representatives shall be under a legal obligation in any administrative or judicial circumstance to disclose any Confidential Information, the receiving party shall give the disclosing party prompt notice thereof so that the disclosing party may seek a protective order and/or waive the duty of nondisclosure; provided that in the absence of such order or waiver, if the receiving party or any such representative shall, in the opinion of its counsel, stand liable for contempt or suffer other censure or penalty for failure to disclose, disclosure pursuant to the order of such tribunal may be made by the receiving party of its representative without liability hereunder.

(D) Return of Materials: For as long as a party continues to possess or control the Confidential Information furnished by the other party, and for so long as the Confidential Information remains unpublished, confidential and legally protectable as the intellectual property of the disclosing party, except as otherwise specified herein, the receiving party shall make no use of such Confidential Information whatsoever, notwithstanding the expiration of this Broker Agreement. The parties acknowledge their understanding that the expiration of this Broker Agreement shall not be deemed to give either party a right or license to use or disclose the Confidential Information of the other party. Any materials or documents, including copies thereof, which contain Confidential Information of a party, shall be promptly returned to such party upon the request of such party. Upon termination or expiration of the Broker Agreement, all materials or documents, including copies thereof, which contain Confidential Information of a party shall be promptly returned to such party or destroyed.

(E) Injunctive Relief: It is agreed that the unauthorized disclosure or use of any Confidential Information may cause immediate or irreparable injury to the party providing the Confidential Information, and that such party may not be adequately compensated for such injury in monetary damages. Each party therefore acknowledges and agrees that, in such event, the other party shall be entitled to seek any temporary or permanent injunctive relief necessary to prevent such unauthorized disclosure or use, or threat or disclosure or use, and consents to the jurisdiction of any federal or state court of competent jurisdiction in the State of California, for purposes of any suit hereunder and to service of process therein by certified or registered mail, return receipt requested.

8. NO ASSIGNMENT: In entering into this agreement, Bank is relying upon the personal integrity and qualifications of Broker and accordingly this agreement may not be assigned by Broker.

9. TERMINATION: BANK shall have the right to terminate the rights of Broker under this Agreement by written notice to Broker upon the happening of any of the following events:

- (A) Insolvency or bankruptcy on the part of the Broker;
- (B) The placement of Broker on probation or restriction of its activities by an agency of the State or Federal Government or by FNMA/FHLMC or HUD/VA;
- (C) Broker has failed to observe or comply with any of the material terms or provisions of this Agreement;
- (D) Broker assigns or attempts to assign its rights or obligations under this Agreement; and
- (E) Written notice with or without cause effective upon receipt thereof.

Any termination of the rights of Broker under this agreement shall not relieve Broker of its obligations under this agreement and Broker shall continue to remain liable to Bank for all acts and omissions of Broker and for all loans and loan applications submitted by Broker to Bank.

10. NOTICE: Any notice required or permitted hereunder shall be in writing and shall be sent to Broker at its address shown under its signature or to PROVIDENT BANK MORTGAGE at 3756 Central Avenue, Riverside, California 92506 by first class mail.

11. PRIOR ARRANGEMENTS: This Agreement supersedes any prior agreements and understandings between BANK and Broker governing the subject matter hereof; provided, however, that Broker shall not be released from any responsibility or liability that may have arisen under such agreements and understandings.

12. GOVERNING LAW: This Agreement is made in the State of California and shall be governed by the laws of such state.

13. SEVERABILITY: If one or more of the covenants, agreements, provisions or terms of this Agreement shall be for any reason whatsoever held to be invalid or unenforceable, then such covenants, agreements, provisions or terms shall be deemed severable from the remaining covenants, agreements, provisions and terms of this Agreement and shall in no way affect the validity or enforceability of the other covenants, agreements, provisions or terms of this Agreement.

14. SUCCESSORS: This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns, including without limitation, with respect to each loan, any successor owner thereof in whose favor BANK shall execute an Assignment and Acknowledgment with respect to its rights under this Agreement in respect of such loan, provided however, that Broker may not assign any of its rights or obligations hereunder.

15. INDEPENDENT CONTRACTOR: Broker is acting as an independent contractor in the performance of this Agreement and at no time shall Broker represent that it has the authority to bind BANK contractually or that it is acting for or on behalf of BANK or any party other than itself. Nothing in this Agreement shall be construed as making the Broker a joint venture, partner, representative, employee or agent of BANK.

16. COUNSEL FEES: BANK and the Broker shall each be responsible for the fees and disbursements of their respective counsel, provided, however, that if it shall become necessary for either party to enforce this Agreement against the other, then the prevailing party shall be reimbursed by the non-prevailing party for its reasonable attorney's fees and any costs paid or incurred in connection therewith.

17. EARLY REFINANCE: If any payoff and/or liquidation occurs on a loan within 120 days of the initial funding, the Broker will be required to repay to BANK the original Service Release Premium or Rebate paid in connection with said loan.

18. RIGHT OF OFFSET: Amounts owed by broker to BANK under this Agreement may, at BANK'S option and in its sole discretion, be offset by BANK against any payments then or thereafter owed by BANK to Broker.

19. INDEMNIFICATION: As additional consideration for BANK entering into this Agreement, Broker agrees to indemnify, defend and hold BANK harmless from any liability or loss whatsoever arising out of any negligent or improper act or omission of Broker, or any employee of Broker, in the performance of this Agreement, or arising out of any breach by Broker, or any employee of Broker, of this Agreement. Broker further agrees to indemnify, defend and hold BANK harmless from any liability, loss or damage whatsoever arising out of any violation by Broker, or any employee of Broker, of any Federal, State, or local laws or regulations, including, without limitation, the Federal and State disclosure laws, and the rules and regulations of FNMA/FHLMC and HUD/VA if government loan.

20. TRANSMISSION AUTHORIZATION: Broker consents and agrees to receive promotional, advertising, rates and solicitation materials from Lender, via telephone, facsimile, email or any other transmission and agrees to indemnify and hold harmless Lender from any claims and liabilities arising from Broker's failure to meet any federal and/or state regulations and rules, including without limitation, pronounced, pursuant to, or promulgated by the FCC Rules and Regulations implementing the Telephone Consumer Protection Act (TCPA) of 1991.

21. STATUS OF PARTIES: Broker and BANK each represent, warrant and agree that as of the date of this Agreement: (i) each party is duly organized, validly existing and in good legal standing under the laws of its jurisdiction of organization, and has the requisite power and authority to enter into this Agreement and agreements to which both are parties as contemplated by this Agreement; (ii) this Agreement has been duly authorized, executed and delivered to both parties and constitutes a valid and legally binding agreement of each party, enforceable in accordance with its terms; and (iii) there is no action, proceeding or investigation pending or threatened nor any basis therefore known to either party that questions the validity or prospective validity of this Agreement insofar as the Agreement relates to either party, or any essential element upon which this Agreement depends, or any action to be taken by either party pursuant to this Agreement.

22. TIME of ESSENCE: Time if of the essence of this agreement and of each provision of this agreement.

23. APPLICABLE LAW and VENUE: This agreement shall be governed by and construed in accordance with the laws of the State of California, except to the extent preempted by Federal law. Any action or proceeding brought under this agreement shall, at the election of Bank, be litigated exclusively in the State of California, County of Riverside.

24. HEADINGS: The headings in this agreement are inserted as a matter of convenience and for ease of reference only and shall not be used in the construction of this agreement or any of its provisions.

Broker shall not hold itself out as such, nor shall it use BANK'S name in any advertising. Broker is an independent contractor. Broker shall have no power or authority to undertake any other act or transaction on behalf of BANK.

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

BROKER OF RECORD/PRINCIPAL NAME: _____

BROKER OF RECORD/PRINCIPAL SIGNATURE: _____ **Date** _____

Address (principal place of business address) _____

City, State, Zip Code _____

PRINCIPAL NAME: _____

PRINCIPAL SIGNATURE: _____ **Date** _____

Address (principal place of business address) _____

City, State, Zip Code _____

PRINCIPAL NAME: _____

PRINCIPAL SIGNATURE: _____ **Date** _____

Address (principal place of business address) _____

City, State, Zip Code _____

PRINCIPAL NAME: _____

PRINCIPAL SIGNATURE: _____ **Date** _____

Address (principal place of business address) _____

City, State, Zip Code _____

PROVIDENT BANK MORTGAGE:

Signed: _____ **Date** _____

Title: _____



Broker: _____
 Broker # _____

Submission Procedures - For Attachment to Wholesale Broker Agreement
Effective on all loan submissions received on or after April 1, 2011

This attachment to the Wholesale Broker Agreement is entered into this _____ day of _____, 20__ by and between Provident Bank Mortgage and _____ (“Broker”). Due to regulatory changes the bank has found it necessary to modify previous versions of Exhibits A, B and C.

This attachment will effect all loan applications from Broker received by Provident Bank Mortgage (“Bank”) on or after April 1, 2011. This attachment will amend, and replace, all previous versions of the attachment exhibits, A, B and C. This new attachment contains:

Exhibit “A”	Broker Policies
Exhibit “B”	Compensation
Exhibit “C”	Mortgage Broker Affiliates / Broker-Owned Escrow
Exhibit “D”	Regulation Z Steering Provisions
Exhibit “E”	FHA Sponsored Originator
Exhibit “F”	VA Agent Sponsorship

Previous versions of Exhibits A, B and C will remain in effect on all loan submissions from Broker received by Bank prior to April 1, 2011.

EXHIBIT “A”
BROKER POLICIES

- All loan submissions packages must contain the handwritten application and copies of all required initial regulatory disclosures. Under RESPA, the Broker is required to provide the applicant the Loan Estimate and CFPB settlement cost booklet. For ARM loan applications, PBM program disclosures are available at www.pbmwholesale.com
- All Compensation payments may be subject to minimum and/or maximum amounts as determined by the Bank and as agreed upon by the parties in writing.
- Borrower-Paid Compensation dollar amount or percentage paid to the broker owner cannot be more than the Broker’s designation under the Lender-Paid Compensation plan.
- All Compensation payments may be subject to minimum and/or maximum amounts as determined by the Bank.
- All loans are subject to High Cost Compliance Testing; include Section 32, California High Cost, Fannie Mae 5% test and the Bank’s High Cost Limitations.
- Brokers are required to act in accordance to appraiser independence safeguards as addressed in Section 1026.42 of Regulation Z and the Interagency Appraisal and Evaluation Guidelines.
- Submission forms must be completed on current versions of Bank approved forms. Please include your phone and FAX numbers.
- Submission packages for conventional loans must include a Form 1008 – Transmittal Summary. Government Loans must be in a HUD/VA binder in proper HUD/VA stacking order.
- Underwriting Ratios are in accordance with Fannie Mae, Freddie Mac, HUD, VA, the Bank’s Underwriting Guidelines and Regulatory Agency limitations as applicable. Supporting documentation on compensating factors is required for higher ratios.
- Tax Returns may be requested on any loan, subject to the Bank’s discretion. The Bank may also require verification from the IRS.
- Payroll stubs are required on all submissions, unless self employed or an exception to this requirement is granted by an automated underwriting system.
- Loan purpose letters are required on all refinance transactions and must be signed by the applicant.
- Broker to manage and maintain a Quality Control Program in accordance with agency guidelines. PBM requires a copy of QC procedures in order to determine if the Broker and its originations comply with PBM standards for quality. Broker may be asked supply evidence of the QA plan and results of recent audits.
- Loans can not be locked, have documents drawn or funded by an unapproved broker.
- Broker specifically agrees (1) to comply with all applicable laws, including safety and soundness regulatory standards applicable to banking institutions and laws prohibiting lending discrimination and unfair or deceptive practices, and (2) to make best efforts to ensure that the loans offered to borrowers are consistent with their needs, objectives and financial situation.
- Broker approval status is subject to the Bank’s policies, guidelines and all applicable laws.
- If a loan rate becomes locked prior to file submission, the Broker must deliver the file within required time frame. Bank reserves the right to reject loan file submissions that exceed prescribed limitations.

EXHIBIT “B”
COMPENSATION

The Federal Reserve Board issued a final rule amending Regulation Z –The Truth in Lending Act to prohibit certain loan originator compensation practices. The rule affects all applications received by the Bank on, or after, April 1, 2011.

The rule specifically prohibits:

- A loan originator (broker) from receiving compensation from both the consumer and any other person (including the lender) on a given transaction.
- Receiving compensation based upon the interest rate or loan terms other than the loan amount.
- Raising the interest rate in order to increase compensation

All applications received from the broker on or after April 1, 2011 will be in strict compliance with all loan originator compensation practices as dictated by the final rule. In compliance with the final rule changes, loan originator compensation will be paid by one of two distinct sources: Borrower Paid Compensation OR Lender (Provident Bank Mortgage) Paid Compensation. The source of the compensation source is at the borrower’s discretion and is required to be designated prior to locking the loan or loan submission acceptance. Regardless of the source of compensation all loan submissions and loan closings are subject to limitations and provisions as defined in the final rule.

Borrower Paid Compensation: Borrower paid compensation is determined by an agreement between the Broker and the Borrower. Bank will accept loan submissions with Borrower paid compensation up to the amount or percentage of the lender-paid compensation plan. The borrower may elect to pay the Broker/Loan Officer by check or through proceeds of the loan. Under the Borrower-paid compensation option, Broker can reduce its compensation to pay some or all of the third party fees or other Borrower loan expenses, offset disclosure tolerance violations or offer pricing concession. The Brokers compensation to the loan originator must be in the form of a salary or an hourly wage.

Lender (Provident Bank Mortgage) Paid Compensation: In compliance with the rule, lender paid compensation must be pre-determined and fixed. Compensation plan provided by the Bank and selected by the Broker will be in effect on all loans, regardless of type or amount. Lender-Paid Compensation will be paid in accordance with the PBM Lender-Paid Compensation Addendum, attached hereto and made a part hereof, in effect at the time of the loan submission. If no Lender-Paid Compensation Plan Addendum is in effect, the Lender-Paid Compensation Plan will default to 1.50% for all submissions received during that period.

EXHIBIT “C”
MORTGAGE BROKER AFFILIATES / BROKER-OWNED ESCROW COMPANIES

The Bank must compensate mortgage broker affiliates uniformly. If the Broker owns two subsidiary mortgage brokerages, the affiliates must be viewed as one. In these instances, both Broker Companies must receive the same Lender-Paid Compensation plan. The Broker is required to inform the Bank of any affiliated companies or subsidiary mortgage brokerages.

The Bank does not allow affiliated or subsidiary companies, such as broker-owned escrow companies, to provide settlement services for any transaction closed under the Wholesale Broker Agreement.

EXHIBIT “D”
REGULATION Z ANTI-STEERING PROVISIONS

The final rule amending Regulation Z also prohibits loan originators (broker) from directing or “steering” a consumer to accept a mortgage loan that is not in the consumer’s best interest in order to increase the originator’s compensation.

The final rule also provides a safe harbor to satisfy compliance with the anti-steering rule.

To be within the safe harbor, the loan originator (broker) must obtain loan options from a significant number of creditors with which the originator regularly does business. The loan originator (broker) can present fewer than three loans and satisfy the safe harbor, if the loan(s) presented to the consumer otherwise meet the criteria in the rule.

Documentation in support of Broker’s compliance to Regulation Z Anti-Steering provision may be required by Bank at loan submission in the form of an Anti-Steering Disclosure or at any time prior to or after loan closing.

EXHIBIT “E”
FHA Sponsored Originator/FHA Authorization Agent:

In addition to Bank’s broker approval requirements, Bank may allow the origination and funding of loans under the provisions of the Wholesale Broker Agreement to include loans insured by the Federal Housing Administration (FHA). Approval may be granted to the Broker to submit FHA loans under PBM’s FHA Sponsored Originator (SO) or Authorized Agent (AA) program, subject to the following general requirements:

General Requirements of the Broker for SO or AA program:

- Will be in a Commercial Business Location.
- Will have a Quality Control and Risk Mitigation Program
- Will have acceptable delinquency vs. national average ratio through Neighborhood Watch
- Satisfactory volume level and quarterly pull through ratios
- Will have an Employer Tax Identification (EIN) Number

Ineligible Participants

Bank requires that the SO or AA Broker will not have any officer, partner, director or principal manager who is:

1. Currently suspended, under a limited denial of participation (LDP).
2. Under indictment for, or has been convicted of, an offense that reflects adversely upon the sponsored originators integrity, competence or fitness to meet responsibilities of a sponsored originator.
3. Engaged in business practices that do not conform to generally accepted practices of prudent origination or that demonstrate irresponsibility.
4. Convicted of or who has pled guilty to a felony related to participation in the real estate or mortgage loan industry.
5. Found to be in violation of the provisions of the SAFE Mortgage Licensing Act of 2008 or any applicable provisions of State or Federal law.

FHA’s or Bank continuing eligibility or designation in Sponsored Originator and Authorized Agents program. Bank reserves the right to request a complete copy of the Broker’s file and any additional documentation needed for quality assurance, annual audits, pre-funding and post funding requirements.

Bank will pursue sponsoring relationships with qualified originators, and will diligently monitor and evaluate the activities and performance of those sponsored. Bank will track loan performance data in Neighborhood Watch for all loans originated via a sponsored originator or authorized agent relationship. This information will be used to annually review originators loan performance quality for annual recertification.

EXHIBIT “F”

VA Agent Sponsorship

In addition to PBM’s broker approval requirements, Bank may allow the origination and funding of loans under the provisions of the Wholesale Broker Agreement to include loans insured by the Veterans Administration. Approval may be granted to the Broker to submit VA loans under PBM’s VA Agent Sponsorship program, subject to approval and the following general annual requirements.

The Bank will submit a request for recognition of the agency relationship to the VA office with the jurisdiction over bank’s home office. The request will include:

- the broker’s name, address, geographic area in which the agent will be originating and/or closing VA loans.
- the broker’s function(s) i.e. taking the loan application, ordering the credit report and verifications of employment and deposit, etc.
- if the broker will enter into interest rate lock-in agreements on the lender’s behalf, a statement that the lender will honor the lock-in.
- submission of a \$100.00 fee from each Broker - Renewable annually on June 1st of each year.

Agreed:

BROKER:

By: _____

Its: _____

Date: _____, 20_____



LOAN FRAUD PREVENTION POLICY

It is the policy of PROVIDENT BANK MORTGAGE (“BANK”) to support the eradication of loan fraud within the residential lending marketplace. Loan Brokers should be advised that a licensed Broker bears the responsibility for all actions performed in the course of business, of his or her employees or licensees.

THE SUBMISSION OF A LOAN APPLICATION CONTAINING FALSE OR MISREPRESENTED INFORMATION IS A FEDERAL CRIME

Although loan fraud or negligent misrepresentation may be perpetrated in many forms, some of the most common examples are shown below:

- ❑ 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, etc.
- ❑ Forgery or misrepresentation of partially or predominantly accurate information.
- ❑ Inaccurate misrepresentations of current occupancy or intent to maintain required occupancy as agreed in the security instrument.
- ❑ Lack of due diligence or concern of Broker, Loan Officer, Interviewer or Processor, including failure to obtain or divulge all information required by the application and failure to request further information as dictated by Borrower's response to other questions.
- ❑ Failure of Broker to disclose any relevant or pertinent 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 processing of multiple owner-occupied loans from a single applicant where information differs on each application.
 - * Permitting an applicant or interested third party to assist with the processing of the loan.

CONSEQUENCES OF LOAN FRAUD

The consequences of residential loan fraud are far-reaching and expensive. BANK warrants the quality of our loan production to our investors. Fraudulent loans may not be sold in the secondary market for home mortgages. If a loan is discovered to be fraudulent after its sale, BANK could be obligated to repurchase the loan from our investor. Fraudulent loans harm our reputation and strain our relationships with our Investors and Mortgage Insurance Carriers.

The consequences to those who participate in loan fraud are even more severe. Following is a list of a few of the repercussions that may be experienced:

To the Broker:

1. Criminal prosecution which may result in possible fines and imprisonment.
2. Revocation of the Broker's license.
3. Inability to access Lenders caused by the exchange of legally permissible information between Lenders, Mortgage Insurance Companies, FHLMC, FNMA, HUD/VA and other Investors, Police Agencies and State and Federal Regulatory Agencies.
4. Civil action by BANK.
5. Civil action by applicant (Borrower) and/or other parties to the transaction.
6. Loss of approved Broker status with BANK.
7. Loss of any compensation owed on other transactions by BANK to Broker.

To the Borrower:

1. Acceleration of debt as mandated in the Security Instrument, Deed of Trust or Mortgage.
2. Criminal prosecution which may result in possible fines and imprisonment.
3. Civil action by BANK.
4. Civil action by other parties to the transaction such as Seller or Real Estate Agent/Broker.
5. Termination of employment.
6. Forfeiture of any professional license.
7. Adverse, long term effect on credit history.

I have read the foregoing. I understand and accept BANK'S policy on Loan Fraud.

Signature of Broker of Record / Principal

Signed _____
Print _____

Signature of Principal Officers

Signed _____
Print _____

Signed _____
Print _____

Signed _____
Print _____

Broker # _____

MORTGAGE BROKERAGE ADDENDUM

This Mortgage Brokerage Addendum (Addendum) is made as of the last date shown in the signature block below. This Addendum amends and supplements any and all previous or existing Wholesale Broker Agreements between Lender and Mortgage Broker, each as defined below.

RECITALS

I. Effective January 1, 2010 revisions to Regulation X, 24 CFR Part 3500, implementing the Real Estate Settlement Procedures Act (together called RESPA), make the Good Faith Estimate of Settlement Charges (Good Faith Estimate or GFE) issued by a mortgage broker binding on the ultimate mortgage lender. Except in cases of “changed circumstances” as defined in the regulation, the lender may not issue its own Good Faith Estimate. The lender is liable if charges imposed on the borrower at settlement exceed, beyond certain tolerances, the amounts estimated in the Good Faith Estimate.

III. Mortgage Broker and Lender wish to minimize tolerance violations under RESPA and allocate between themselves the risk if such violations occur, as agreed in this Addendum.

AGREEMENT

Therefore, in consideration of Mortgage Broker’s submitting, and Lender’s accepting for consideration, residential mortgage loan applications (Application) on and after January 1, 2010, Mortgage Broker and Lender agree as follows.

1. Posting of Minimum Fees. Lender shall, from time to time, post on its internet website or otherwise make available to Mortgage Broker a listing (Fee Listing) showing the settlement charges (Listed Fees) which Lender believes in good faith that a borrower is likely to incur based upon common practice and experience in the locality of the mortgaged property.
 - a. The Fee Listing may at Lender’s option be categorized by the type of loan products offered by Lender and localities in which Lender will lend.
 - b. The Fee Listing shall include Lender’s own fees and those of third-party settlement providers such as fee appraisers, title companies and escrows. Lender will post the Fee Listing and associated calculation charts required for Good Faith Estimate preparation on its internet website. The names of the third-party providers as to which the applicant may shop for services (Optional Providers) may be shown to assist Mortgage Broker with preparing the Provider List required under Paragraph 4 of this Addendum.
 - c. Lender may revise its Fee Listing at any time. It shall be Mortgage Broker’s responsibility to be aware of the current Fee Listing whenever it prepares a Good Faith Estimate that Mortgage Broker will submit to Lender.
2. GFE Based on Fee Listing. Mortgage Broker agrees that any Good Faith Estimate which Mortgage Broker submits to Lender in connection with an Application on and after January 1, 2010 will disclose fees, on a line by line basis, no lower than the fees shown on the Fee Listing, as applicable.
 - a. Mortgage Broker agrees to provide to Lender along with the Application a full and correct copy of the Good Faith Estimate it gave to the applicant.
 - b. Lender may in its sole discretion consent in writing on a case by case basis to the disclosure of a lower fee than appears on the Fee Listing (consent may be by e-mail).
3. Provider List. Mortgage Broker shall also provide the loan applicant a list of “identified providers” (Provider List) required by HUD’s Instructions for Completing Good Faith Estimate (under “Your Charges for All Other Settlement Services”). The Provider List must be given at the time of the GFE but be on a separate sheet. The Provider List is to show suggested providers for services the applicant is allowed to shop for, such as escrow and title services (but not those providers chosen by the Lender, such as credit bureaus, flood determination companies or appraisers). The Provider List must at a minimum show the Optional Providers from Lender’s Fee Listing.

4. GFE Compared to Fee Listing. If any line item on page two of the Good Faith Estimate discloses a fee that is less than the related fee shown in the Fee Listing, Lender may, at its option (i) reject the Application or (ii) proceed with the Application, in which case Mortgage Broker shall be liable for any tolerance violations as set forth in Paragraph 4 of this Addendum.

5. Broker's Liability. If Lender refunds any amounts to the borrower on account of tolerance violations under RESPA as to line items which were under-estimated by Mortgage Broker as compared to the Fee Listing, Mortgage Broker shall reimburse Lender for the amount of the refund immediately on demand by Lender (which demand may be made by email).
 - a. Mortgage Broker agrees that the amounts shown on the HUD-1 or HUD-1A settlement statement, as applicable, under "Comparison of Good Faith Estimate (GFE) and HUD-1 (1A) Charges" shall be conclusive evidence of a tolerance violation.
 - b. Mortgage Broker shall be liable only for tolerance violations which would have been avoided if the fees on Mortgage Broker's GFE had been in the amounts appearing on the Fee Listing in effect as of the date of the GFE.
 - c. Mortgage Broker shall not be responsible for any tolerance violations which result from Lender's own fees exceeding the amounts that appeared on the Fee Listing in effect as of the date of the related Good Faith Estimate. "Lender's own fees" means loan fees, discount "points" and other fees received by Lender, including fees for appraisers who are employees of Lender, but not fees to any third parties, such as outside "fee" appraisers, even if such fees are initially paid to Lender but passed through to the third party.

6. No Loan Commitment. Nothing in this Addendum shall be construed as requiring Lender to accept any Application or to approve or fund any loan whatsoever.

7. Existing Agreement Remains in Force. Except as modified by this Addendum the Existing Agreement shall remain in full force and effect.

AGREED:

MORTGAGE BROKER:

By: _____

Its: _____

Date: _____, 20__

Amendment to Wholesale Broker Agreement

This Amendment amends and supplements the Wholesale Broker Agreement (Agreement) between the undersigned parties. To the extent, if any, that this Amendment is inconsistent with the Agreement, this Amendment shall govern. All capitalized terms used in this Amendment shall have the same meanings as given to them in the Agreement unless expressly defined in this Amendment.

The following provisions are added to the Agreement:

1. Access to Bank's Webcenter. Broker may be provided access to Bank's Third Party Originator Webcenter website ("Webcenter") for the purpose of submitting mortgage loan applications and other mortgage loan documents. In this regard:
 - a. Broker assumes all responsibility and risk with respect to its use of the Webcenter.
 - b. Broker is responsible for providing and maintaining appropriate access levels to Broker's users that are given access to the Webcenter and is responsible for terminating access to a user who is no longer employed or associated with Broker. Without limiting the foregoing, Broker is responsible for assigning a designated Third Party Originator ("TPO") Manager for the Webcenter and will immediately remove the TPO Manager's access if this person is no longer employed or associated with Broker and provide a replacement TPO Manager.
 - c. Bank may terminate any user's access privileges at any time in its sole discretion.
 - d. Broker may request, and Bank may provide, technical assistance to set up users for Broker on the Webcenter but Broker shall still have sole responsibility for any such user.
2. NMLS registration. Broker and all of Broker's agents and representatives who act as a "mortgage loan originator," as defined under the SAFE Act or other applicable law, must have and maintain current and valid registrations with the National Mortgage Loan System and Registry ("NMLS") at all times. Such persons must also maintain all other qualifications and licenses (for example, state real estate broker or mortgage lender licenses) necessary to act as a mortgage loan originator and to undertake the activities contemplated by this Agreement. Broker must notify Bank immediately if any such qualification or license of Broker or any user lapses, is suspended or revoked and, without limiting the foregoing, shall immediately terminate such person's access to the Webcenter.

AMENDMENT TO WHOLESALE BROKER AGREEMENT, continued

Agreed:

BROKER:

Name of organization: _____

By: _____

Title: _____

Date: _____, 20__

BANK:

Provident Bank Mortgage, a division of Provident Savings Bank, F.S.B.

By: _____

Its: _____

Date: _____, 20__



PBM Wholesale Connect WebCenter Broker Designation of TPO Manager

Broker Company Name:		
Broker Number:	AE:	
Broker of Record / Principal Name:		

Please identify the PBM TPO Manager for your Company. The Manager is the primary contact for the company/branch and is often the broker/owner. Managers may create and manage user accounts on the PBM TPO WebCenter website and update the company or branch account information in Encompass. The Manager will also have access to all loan files originated under their branch and can set up a user as an Administrator. The Manager has the highest level of access to the WebCenter for only loans associated with the Broker Company.

The Manager will be responsible for managing web user authorization to set up and authorize additional employees for various access levels for the PBM TPO WebCenter.

Manager:	
Title:	
Email Address:	
Telephone:	
NMLS #:	
BRE #:	

The Broker Company and/or Broker/Principal is fully responsible for the actions and assignments performed by Manager in the PBM TPO WebCenter.

Broker / Principal Signature

Date



PBM TPO Connect List of Loan Officers and Key Personnel

Please list all loan originators and processors that will be submitting loans to Provident Bank Mortgage. Please also indicate any additional key personnel that may receive rate sheets, announcements, or TPO connect logins. Complete all information requested below and if needed, this form may be duplicated. An internal listing may be provided as a substitute provided all information requested below is present.

Note: The primary contact and Broker of Record must receive rate sheets, announcements and must have TPO Connect Access. Please designate a TPO Broker Manager on the 1st line of the form so they can have access to view all loans in process.

Broker ID #	Broker Company Name	Name	Title	NMLS #	Email Address	Check all that apply
						<input type="checkbox"/> TPO Connect Access <input type="checkbox"/> Rate Sheet / Announcements <input type="checkbox"/> TPO Broker Manager
						<input type="checkbox"/> TPO Connect Access <input type="checkbox"/> Rate Sheet / Announcements
						<input type="checkbox"/> TPO Connect Access <input type="checkbox"/> Rate Sheet / Announcements
						<input type="checkbox"/> TPO Connect Access <input type="checkbox"/> Rate Sheet / Announcements
						<input type="checkbox"/> TPO Connect Access <input type="checkbox"/> Rate Sheet / Announcements
						<input type="checkbox"/> TPO Connect Access <input type="checkbox"/> Rate Sheet / Announcements

SPONSORED ORIGINATOR GENERAL REQUIREMENTS & QUALITY CONTROL PLAN

The purpose of this document is to ensure that _____
Company Name
maintains compliance with HUD/FHA requirements and Provident Bank Mortgage requirements for Sponsored Originators.

REQUIREMENTS

GENERAL STANDARDS:

- Must maintain and Employer Tax Identification (EIN) number.
- Will have acceptable delinquency vs. national average ratio through Neighborhood Watch.
- Satisfactory volume level and quarterly pull through ratios with PBM.

LOCATION:

- The office is located in a commercial building and PBM has the current address.
 - The office is properly and clearly identified for any walk-in customers; has adequate office space and equipment; is in a location conducive to mortgage lending; and is separated from any other entity by walls or partitions (entrances and reception areas may be shared);

OPERATIONS AND PERSONNEL:

- Sponsored Originator shall not have any officer, partner, director, principal manager, employee or 1099 contractor who is currently suspended under a limited denial of participation (LDP); under indictment for or has been convicted of and offense that reflects adversely upon the sponsored originators integrity, competence or fitness to meet responsibilities of a sponsored originator; will not engage in business practices that do not conform to generally accepted practices of prudent origination or that demonstrate irresponsibility; have been convicted of or who has pled guilty to a felony related to participation in the real estate or mortgage loan industry; or is in violation of provisions of the SAFE Mortgage Licensing Act of 2008 or any provision of State law.
- Operations are conducted in a professional, business-like environment;
- The office is sufficiently staffed with trained personnel;
- All personnel have access to relevant statutes, regulations, HUD issuances and Handbooks, either in hard copy or electronically;
 - A library, either electronic or physical, complete with manuals, handbooks, regulations and mortgagee letters will be maintained and updated in the processing office.
 - Procedures are revised to reflect changes in HUD requirements and personnel are informed of the changes.

Sponsored Originator will be at all times in compliance with the provisions of the Real Estate Settlement Procedures Act (RESPA), including the distribution to mortgagors of the Special Information Booklet, Good Faith Estimates and disclosure of business relationships with a particular provider of services.

QUALITY CONTROL REVIEW PROCESS

PBM requires sponsored originators conduct a monthly quality control review process, within their own office, that will be completed by an employee of the sponsored originator who is independent of the loan processing/sales responsibilities or outsourced to a non interested third party. The loans in this review will be based on the sample selection requirements below.

SAMPLE SELECTION

- A. 10% of all FHA closed loans must be randomly selected for audit and 10% of all declined FHA loans will be randomly selected for audit. These loans will be pulled from the previous months closing and decline production.
- B. High risk loans will be targeted for quality control review. These include:
 - 2-4 unit properties;
 - New construction or rehab loans;
 - Properties transferred within the past year;
 - Substantial seller concessions;
 - Non-occupying co-mortgagors or multiple mortgagors;
 - Housing expenses increasing by 1.5 times or more;
 - Large or multiple earnest money deposits (money orders);
 - Large increase in bank account balance;
 - Sale of personal property for funds to close;
 - Gifts or loans of funds to close.
- C. The work of each loan processor, loan officer, real estate company or builder that does significant business with the sponsored originator must also be reviewed.

QUALIFYING DOCUMENT REVERIFICATION

All documentation provided to obtain loan approval must be re verified either verbally or in writing. This includes all documentation submitted with full and with alternate documentation. If in writing a photo copy of the document will be sent to the employer, depository, landlord, etc, with a cover letter requesting confirmation of the accuracy of the document.

Determination will be made that loan document requiring signatures were signed by the mortgagor.

Determination will also be made whether the information in the preliminary loan application, final application and all credit documents is consistent or reconciled.

Applications will be monitored to ensure that sufficient questions are asked of each applicant to be certain that a complete picture of the applicant's ability to repay the loan is presented. This includes sufficient information regarding the income, source of funds and intended use of the property.

Included in the monitoring will be an interview with applicant to determine they understood the process and their obligations to avoid misrepresentations and falsifications. The identity of the loan applicants will also be verified.

Employees of the sponsored originator will also be monitored by the sponsored originator management to ensure they are knowledgeable of the origination process and are able to adequately convey the applicant's responsibilities in obtaining a FHA – insured mortgage.

DOCUMENTATION REQUIRED FOR QC OF CLOSED LOANS

1. New credit reports (three bureau merged in-file credit reports) will be included with each audit unless the loan was a streamline refinance. The new credit report is to be ordered from a source other than the credit report used for underwriting.

The new credit report is to be compared to the initial report. Special attention should be paid to any accounts on the audit report which should have been included on the initial report of derogatory information on the report which should have been on the initial report.

When discrepancies are found, the original reporting agency should be contacted for explanation.

An additional area of concern is new accounts originated by the borrower after the original credit report was completed, but prior to the loan closing and were not disclosed. In these cases determination should be made on the effect the new debt would have on qualifying. In cases where the new debt would negatively affect the borrower's ability to qualify for the mortgage loan, borrowers are to be contacted for an explanation for lack of disclosing the debt.

2. Re verification of employment and income will depend on the documentation obtained during processing.
 - a. Written verifications of employment, paystubs and W-2's are to be verbally or in writing re verified with the employer.
 - b. Executed IRS form 4506T must be obtained and used to verify the accuracy of the tax returns and/or W-2's.

- 3. Source of funds such as verification of deposit, depository statements, stock or security statements, HUD-1's for proceeds from sale of a previous residence and gift funds will be re verified either verbally or in writing. Determination will be made that the loan file contains pertinent documentation of the mortgagor's source of funds for the required investment, the acceptability of that source and that any obligation to repay the funds was properly documented.

Discrepancies in re verifications of sources of funds must be investigated and resolved.

- 4. Handwritten applications or initial applications, if originally generated by computer, are to be sent to the borrowers with a cover letter for re verification of accuracy. Determination will also be made if the initial application includes each outstanding debt and asset.
- 5. Determination will be made that the mortgagor was not utilized as a "straw buyer" and that the property has not been transferred at the time of closing or soon after.

This plan is in addition to the quality control reviews performed by the Sponsoring Lender - Provident Bank Mortgage.

An on site office review will be completed by Provident Bank Mortgage at least one time yearly for offices identified as higher risk or as deemed appropriate. Higher risk factors include, but not limited to, high early default rates, new key personnel, sudden increases in volume or past problems.

By executing this document I acknowledge that _____,
Company Name
 sponsored originator by Provident Bank Mortgage, will adhere to the above Quality Control Plan.

 Officer/Broker/Owner Sponsored Originator

 Date

Certification

I, _____ certify that our company _____ has the following procedure in place for all new and existing employees.

HIRING PROCEDURE – for checking all employees involved in the origination of mortgage loans against the U.S. General Services Administration (GSA) Excluded Party List and the HUD Limited Denial of Participation List (LDP List).

The names of new employees will be checked against the GSA and LDP lists at or before their first date of employment. Existing employees will be checked against the GSA and LDP lists semi-annually.

Any individual listed on the GSA and/or LDP list will not be eligible for employment.

Broker of Record / Principal

Dated