



FOR OFFICIAL USE ONLY		
Date Received:		
New	or	Renewal

Residential Capital CFL Package

Please submit the following documentation along with this coversheet to Residential Capital for CFL Approval:

- Completed & Signed CFL Agreement
- Completed & Signed CFL Agreement Addendum
- Completed & Signed "Commitment to Responsible Lending"
- Completed & Signed "Disclosure/Due Diligence"
- Completed CFL Information Form
- Copy of CFL License(s)
- Completed Agents List & Processors List
- Completed Additional Branch Offices Form (if applicable)
- Copy of CFL Branch License(s) (if applicable)
- Completed, Signed, & Dated W-9
- Copy of the CFL's Articles of Incorporation

Fill in your Account Executive's Name (if known): _____

Do you have a loan submitted & pending with us? Yes No (Please Circle One)

Submit completed broker package to Residential Capital Broker Relations Department:

Direct Dial: (858) 278-6800 ext. 123

Toll Free: 877-568-7017 ext. 123

Fax: (858) 225-0736

BrokerRelations@rescap.biz

CFL packages are usually approved within 3 - 5 business days. Welcome packets are sent out within 48 hours of CFL approval.

Credit reports are not used in the approval process.



CALIFORNIA FINANCE LENDERS AGREEMENT

This CFL Agreement is dated as of _____, 20____ between Residential Capital Mortgage Income Fund, LLC, a California Limited Liability Company, CFL License No. 603-9952 on behalf of itself and its affiliated companies, located at 4870 Viewridge Ave. #100, San Diego, CA 92123 (collectively, "Residential") and

_____,
California Finance Lender's License Number _____ located at

_____ ("CFL"). This Agreement arose because:

- A. CFL is a mortgage Broker that is and will remain licensed as such by the California Department of Real Estate.
- B. CFL originates a wide variety of mortgage applications. It desires from time to time to submit mortgage applications (the "Applications") from loan applicants ("Applicants") to Residential for its consideration.
- C. The purpose of this Agreement is to serve as a master agreement governing all Applications CFL submits to Residential.

NOW, THEREFORE, the parties agree as follows:

1. Non-Exclusive Arrangement. CFL may submit and Residential will consider Applications for mortgage loans. CFL shall have no obligation to submit Applications on an exclusive basis, but shall not submit any Application concurrently to more than one mortgage company. Likewise, Residential shall be free to obtain Applications from other sources. Residential shall, from time-to-time, supply CFL with rate sheets and underwriting criteria to assist CFL in selecting Applications that are likely to qualify for loans arranged by Residential.
2. Contents of Applications. Applications shall consist at a minimum of a completed loan application and credit report. It shall be CFL's duty to perform due diligence on all information submitted. CFL represents and warrants that to the best of its information and belief, after such due diligence, all information in the Applications CFL submits to Residential are accurate and not misleading. CFL shall be solely responsible for all costs of its origination effort and the charges it incurs for credit report, loan officer compensation, marketing and other costs.
3. Application Submissions. Residential shall have the sole responsibility to underwrite, approve and fund each loan submission at Residential's sole discretion. CFL expressly agrees and acknowledges that CFL shall have no right, power or authority, expressed or implied, to approve a Loan orally or in writing on behalf of Residential, or to issue to prospective Borrowers on behalf of Residential any type of binding commitment to loan funds. CFL covenants that it will not act outside the scope of its authority hereunder and will not hold itself out to prospective Borrowers as having the authority to approve loans or to issue loan commitments on behalf of Residential. Notwithstanding the foregoing, the CFL acknowledges that it has a fiduciary duty to Residential (i) To use its best efforts to assure that the loan is eligible for funding by Lender and, (ii) To disclose all relevant facts and circumstances relating to borrower and the mortgaged property.
4. Compliance with RESPA. Residential and CFL shall each provide in their disclosures an estimated

disclosure of fees anticipated by each company. In addition, each submittal to Residential shall constitute a representation and warranty that CFL has performed sufficient services to qualify for compensation under the safe harbor provisions of the Real Estate Settlement Procedures Act and Regulation X contained in the Statement of Policy 1999-1 Regarding Lender Payments to Mortgage Brokers, Federal Register Docket No. FR-4450-N-OI and Statement of Policy 2001-1 Clarification of Policy 1999-1 Regarding Lender Payments to Mortgage Brokers, Federal Register Docket No. FR 7414-N-OI, including taking the application and providing at least five out of the other thirteen qualifying service categories at least one of which was a “non-counseling” type of service and that such services were necessary for the transaction and were not duplicative of services performed by others:

Non-Counseling Services

- (a) Initiating/ordering verifications of employment and deposits;
- (b) Initiating/ordering requests for mortgage and other loan verifications;
- (c) Initiating/ordering appraisals;
- (d) Initiating/ordering inspections or engineering reports;
- (e) Providing required disclosures;
- (f) Participating in the loan closing.

Counseling Services

- (a) Analyzing the prospective borrower’s income and debt, and pre-qualifying the borrower to determine the maximum mortgage that the borrower can afford;
- (b) Educating the borrower in the home buying and financing process, advising the borrower about the different types of loan products available, and demonstrating how closing costs and monthly payments would vary under each project;
- (c) Collecting financial information (tax returns, bank statements, etc.) and other related documents that are a part of the application process;
- (d) Assisting the borrower in understanding and clearing credit problems;
- (e) Maintaining regular contact with the borrower, real estate agents and Lender.

5. Commissions to CFLs.

(a) Commissions. During the term hereof, in consideration of CFL’s performance of services hereunder, Residential shall pay CFL certain commissions, directly or through escrow, according to an agreement between Residential and CFL to be confirmed in writing before each completed loan packages has loan documents drawn. CFL acknowledges and agrees that no commission shall be earned on a Loan Application he/she/it submits unless and until the specific Loan applied for is closed and funded. If a Loan submitted on behalf of a borrower by CFL is rejected by Residential, or such Loan fails to close for any reason whatsoever, including but not limited to the fault of Residential or of CFL, no commission shall be earned.

(b) Manner of Payment. Subject to subdivision (c) of this paragraph 4 and at Residential’s sole option, commissions earned by CFL under this Agreement shall be paid either through escrow or directly by Residential as soon after the funding of any Loan submitted by CFL as Residential holds funds to which it is entitled as a matter of right and so long as all necessary loan documents have been properly executed and delivered to Residential.

(c) Off-Sets. To the extent that Residential determines CFL has breached any provisions(s) of the Agreement for which an Indemnity Claim would arise pursuant to paragraph 5 below, and to the extent that there are any sums of money due and owing from Residential to CFL, Residential shall be entitled to withhold all such sums as a set off, which set off shall be in addition to, and not to the exclusion of, any other remedies available to Residential.

(d) Compensation upon Termination. Upon the termination of this Agreement, Residential shall pay CFL any and all commissions earned, due and payable as of the date of termination of the Agreement (“Termination Date”), which commissions shall be paid within thirty (30) days of the Termination Date. As to

completed Loan Applications for a specific loan submitted prior to termination, commissions earned on loans funded after the Termination Date shall be paid within thirty (30) days following the funding date of such loans. No commissions shall be paid under this Agreement where a completed Loan Application for a specific loan was not submitted prior to termination; where a Borrower is represented as to a specific Loan Application by a real estate CFL who is not a party to this Agreement; or where, after termination of this Agreement, Residential make or arrange a loan for Borrower previously represented by CFL on terms and conditions that are materially different than a previous Loan Application submitted by CFL to Residential. Residential shall pay no commissions to CFL if the termination resulted from CFL's fraud, constructive fraud, gross negligence or other from any other material breach of this Agreement.

6. Indemnification.

(b) By Residential. Residential shall indemnify and hold CFL and its agents harmless from any and all demands, costs, judgments and claims of any kind (including attorneys fees and court costs) arising out of claims on an Application or resulting Loan arising from the acts or omissions of Residential or its personnel or agents after the submission of an Application to Residential.

(c) By CFL. In addition to any other rights and remedies that Residential may have, CFL shall indemnify and hold Residential, its partners, affiliates and respective officers, directors, employees and agents, harmless from and against, and shall reimburse it or them for any losses, damages, deficiencies, claims, causes of action or expenses of any nature, (including attorney's fees), incurred before or after any loan closing to the extent resulting from;

- (i) Any misrepresentation, (intentional, actual, reasonable, negligent or otherwise), made by CFL, or any breach of warranty by CFL, contained in this Agreement, or in any schedule, exhibit, report, statement or certificate furnished by CFL pursuant to this Agreement, irrespective of any actual or constructive knowledge by CFL of such misrepresentation.
- (ii) Any indication of fraud in the origination of any loan, either immaterial or material, whether or not as a result of any act or omission of CFL, or any employee, representative or agent of CFL; or
- (iii) Any first payment default.

7. Compliance with Laws. Both parties shall in all of their activities under this Agreement comply with the laws of the State of California and the United States. All activities by CFL shall be conducted in strict accordance with the California Real Estate Law applicable to real estate CFLs. If either party's license ceases to be in good standing, that party shall immediately notify the other in writing. In addition, if either party, if registered as a corporation, shall cease to represent that corporation as its Broker, that party shall immediately notify the other in writing.

8. Arbitration Agreements with Applicants. Residential may require Applicants to execute an arbitration agreement requiring the Applicants to arbitrate all claims the Applicants may have with Residential, CFL and any other party in the transaction. If an Applicant initiates arbitration with Residential, CFL stipulates to join in such arbitration if it is named in the claim or has a cross-claim against Residential.

9. Arbitration of Disputes. The parties agree that any dispute between them shall be decided by binding arbitration under the rules of the American Arbitration Association. The prevailing party shall be entitled to an award of its attorney and accounting fees from the losing party and arbitration costs. All hearings shall be in the County of San Diego unless otherwise agreed or ordered by the arbitrator(s). Limited discovery shall be conducted in the discretion of the arbitrator(s).

10. CFL's Representations and Warranties. To induce Residential to enter into this Agreement and to induce Residential to make loans submitted by CFL pursuant to this Agreement, CFL represents and warrants to Residential, at the date of execution of this Agreement and on the date each Loan Application is submitted pursuant hereto:

(a) That CFL has and at all times during the term of this Agreement shall have, a current, valid California Finance Lenders license and all other licenses that may be required by any federal, state or local regulatory authority in order to conduct the business activities contemplated under this Agreement;

(b) That all license information and all other information submitted to Residential in support of this Agreement, outlined in section 10c, is at the time made true and accurate;

(c) Except as expressly disclosed in writing to Residential and consented to by Residential in writing, that CFL has undertaken a reasonable investigation and has determine that neither CFL nor any employee working for CFL: (1) is listed on the Specially Designated Nationals ("SDN") list; (2) is subject to any pending criminal, civil or administrative action by any government agency relating in any way to his/her/its conduct while acting in any capacity, whether as a principal or as an agent, involving his/her real estate license or which could lead to suspension or revocation of his/her real estate license (e.g., an investigation or accusation by the DRE or DOC, a criminal investigation or a complaint or civil law suit); (3) has had his/her/its real estate license suspended or revoked (conditionally or otherwise) within the past 5 years; or (4) has been convicted of a Felony within the past 10 years;

(d) That CFL is duly organized, validly existing and in good standing under the law of its state of incorporation or organization and is duly authorized and licensed to do business in California;

(e) That all information submitted by CFL, including without limitation all Loan Applications and supporting documentation (i.e., including, but not limited to, appraisals, credit reports, VOE's, VOMs) from Borrowers or from third parties, shall be true, correct, authentic, currently valid and unaltered from the original, to the best of CFL's knowledge and belief;

(f) That CFL shall not demand or receive any compensation, regardless of the form or time of payment, except as disclosed to Residential and to Borrower in the MLDS or in an Amended MLDS, true and accurate copies of which shall be given to Residential; and

(g) That CFL will not and shall not charge fees and costs, when combined with all other fees and cost charged to the Borrower in a Loan made or arranged by Residential, that would render any loan a "covered loan" under Cal. Financial Code §§ 4970 et seq. or subject to the provisions of the federal Home Owners Equity Protection Act a.k.a. "Section 32 loans" (15 U.S.C. §§ 1602(aa) and 1639; Reg. Z § 226.32).

11. Relationship and Withholding.

(a) Independent Contractor/Non-Agency. Residential and CFL agree that: (1) each is acting as an independent party; (2) CFL shall provide services hereunder as an independent contractor of Borrower, and CFL shall in no way be deemed or considered to be the agent, subagent, representative or employee of Residential for any purpose, even though compensation may be paid to Residential or its Lender by the Borrower and that compensation may be split with CFL as compensation for CFL's services rendered to Borrower; and (3) CFL is not a partner or joint venturer with Residential or its Lenders. CFL shall operate from premises other than those of Residential and shall have discretion in the manner of carrying out the activities to be performed by him/her under this Agreement, so long as he/she performs his/her obligations hereunder and, at all times, fully complies with all applicable laws and regulations. CFL shall have no authority to bind Residential or Lenders in anyway or to make any representations or warranties on behalf of Residential or Lenders to Borrower or to any third party.

(b) Withholding. Residential shall not withhold any amounts for federal and state income taxes, F.I.C.A., S.D.I., worker's compensation, unemployment compensation, or the like, from any fee or other form of compensation paid to CFL under the terms of this Agreement. CFL shall pay all federal and state income taxes,

F.I.C.A., self-employment tax, S.D.I., and all other taxes and charges levied or assessed with respect to any fee or other form of compensation paid to CFL under this Agreement.

(c) W-9 and Licenses. Along with a signed copy of this Agreement, and as a condition thereof, Broker shall deliver to Residential: (1) a completed W-9 form showing the designated principal's Social Security Number and its Federal Identification Number; and (2) true and accurate copies of current valid licenses from the California Department of Corporations. For any employee participating in the loan origination process who were not previously disclosed to Residential (e.g., new principals or salespersons), CFL agrees to update Residential with their information and of any changes in the CFL's License information promptly, but no later than the time of submitting a new Loan Application, by delivering to Residential true and accurate copies of valid licenses from the DOC, and the name of each and every person for whom CFL would have been required to provide such information at the time this Agreement was signed by CFL and delivered to Residential.

12. Miscellaneous. This Agreement constitutes an integrated agreement between the parties and supersedes all previous agreements and negotiations. This party is binding upon and may be enforced by the successors, assigns and affiliates of each party. It shall be construed as if drafted by both parties. This Agreement may only be modified or waived by an agreement in writing. This Agreement may be executed in one or more counterpart or signature pages, each of which shall be deemed an original and together which shall comprise one instrument. A facsimile of this Agreement bearing the signature of a party shall have the same legal effect as an original. Either party may terminate this Agreement at any time, for any reason or for no reason at all (with or without cause), upon delivery and confirmed receipt of a written notice of termination to the other party.

The parties have executed this agreement to be effective on the date first set forth above.

Residential Capital Mortgage Income Fund, LLC

“RESIDENTIAL”

By: _____ (sign)

Its: _____ (title)

“CFL”

By: _____ (sign)

Its: _____ (title)

_____ (print name)

Principal's Social Security #: _____



CFL AGREEMENT ADDENDUM

This CFL Agreement Addendum (the "Addendum") supplements and is made a part of the CFL Agreement ("Agreement") and is made effective as of _____, 20____ between Residential Capital Mortgage Income Fund, LLC, a California Limited Liability Company, CFL License No. 603-9952, on behalf of itself and its affiliated companies, located at 4870 Viewridge Ave. #100, San Diego, CA 92123 (collectively, "Residential") and

California Finance Lender's License Number _____ located at _____ ("CFL").

WHEREAS:

CFL desires to order a Broker Price Opinion ("BPOs") from a 3rd party BPO Company prior to submission of a loan;

The parties agree that:

CFL shall open an account with the BPO Company and be solely responsible for the balance on said account.

CFL shall use a BPO company approved by Residential.

Residential shall reimburse CFL for a BPO, when the following conditions are met:

1. The BPO is submitted to Residential with a full package loan as detailed on the Full Package Checklist Form R175 (2/28 ARM product) or R180 (HELOCs).
2. At the time of submission, the BPO invoice must be included with the full package. The BPO invoice must show a paid in full status with a zero balance.
3. Residential will reimburse CFL for 10 BPOs per month, unless otherwise approved in writing by Residential.

Residential Capital Mortgage Income Fund, LLC

"RESIDENTIAL"

By: _____ (sign)

Its: _____ (title)

"CFL"

By: _____ (sign)

Its: _____ (title)

_____ (print name)



COMMITMENT TO RESPONSIBLE LENDING

As a CFL approved to submit loans to Residential Capital Mortgage Income Fund, LLC (“Residential Capital”),

_____ (Company Name) and its employees and associates
acknowledge and affirm the following:

1. The CFL will, at all times, submit loans that fully comply with all applicable federal, state and local laws and regulations related to mortgage lending - including, but not limited to, disclosing all fees on the Good Faith Estimate (GFE) and providing the borrower with all required disclosures.
2. The CFL will comply with all federal and state fair lending laws, including the Home Mortgage Disclosure Act (HMDA), the Equal Credit Opportunity Act (ECOA), and the Fair Housing Act (FHA).
3. The CFL agrees that Residential Capital will not originate or purchase any loan that is a “high-cost” or “covered” loan, as defined by Section 32 of the Home Ownership Equity Protection Act (HOEPA), and any similar state or local statute.
4. The CFL will carefully analyze each applicant’s financial situation, to assess their true ability and willingness to repay the loan. The CFL will not submit a loan to Residential Capital if the applicant does not have the ability to repay. The CFL will also avoid loan steering - the practice of submitting an application for a non-prime loan for a borrower who is eligible for, and whose needs are best met by, a prime loan.
5. The CFL will be licensed, or validly exempt from licensing, in all states where business is conducted.
6. The CFL will to the best of their knowledge, ensure that all loan applications contain no false or misleading information. This includes, but not limited to, an assurance of the following: a) the true source of the down payment is disclosed to Residential Capital; b) the appraisal is a true and independent assessment of the value of the collateral property; and c) the applicant’s income is accurately disclosed and calculated.
7. The CFL will affirm Residential Capital’s commitment to a zero tolerance policy for mortgage fraud. Any fraud discovered by Residential Capital will be reported to the appropriate licensing and criminal authorities.
8. The CFL agrees to deliver all required disclosures and documents to each borrower, to ensure that the borrower fully understands the terms, conditions, risks and benefits of the loan.
9. The CFL will agree to comply with all Residential Capital policies and procedures applicable to broker loan originations.
10. The CFL will ensure that all of its employees have read, understood and agreed to the Residential Capital Broker Commitment to Responsible Lending.

“CFL”

By: _____ (sign)

Its: _____ (title)



DISCLOSURE/DUE DILIGENCE

- 1. Is the CFL license of applicant in good standing?
 Yes No
- 2. Has your company, and/or principles or corporate officers, been named as defendant in a lawsuit for alleged fraud or misrepresentation in connection with any real estate related activity?
 Yes No
- 3. Has your company, and/or principles or corporate officers, been named as defendant in a criminal proceedings/complaint/conviction for alleged fraud or misrepresentation in connection with any real estate related activity?
 Yes No
- 4. Has your company, and/or principles or corporate officers, ever had a real estate or other professional license suspended, revoked, or received any other disciplinary action from a regulatory agency?
 Yes No
- 5. Have any agencies, investor's, or mortgage insurer's audit in the last three years shown your company to be out of compliance with any guidelines?
 Yes No

Lender References

List four lenders with whom you are doing significant business:

Lender Name:	_____	Telephone:	_____
Contact Person:	_____	Job Title:	_____
Lender Name:	_____	Telephone:	_____
Contact Person:	_____	Job Title:	_____
Lender Name:	_____	Telephone:	_____
Contact Person:	_____	Job Title:	_____
Lender Name:	_____	Telephone:	_____
Contact Person:	_____	Job Title:	_____

The undersigned declare that to the best of their knowledge, the statements and information set forth herein are true. Residential Capital is hereby authorized to obtain verification from any source names herein.

“CFL”

By: _____ (sign)

Its: _____ (title)



CFL Information

(Please complete this form in its entirety)

CFL Company Name: _____

President: _____

Presidents Email: _____

Vice Pres.: _____

Vice Pres. Email: _____

Secretary: _____

Secretaries Email: _____

Treasurer: _____

Treasurers Email: _____

Which Officer is Primary Contact? _____

Primary Officers Contact Cell: _____

Main Office Address: _____

Main Officer Phone: _____

Main Office Fax: _____

