

CORRESPONDENT LOAN ADDENDUM

This Addendum, entered into by and between Mid America Mortgage, Inc. (“Mid America”) and the undersigned Customer, supplements and /or amends, and is attached to and made a part of, the Mid America Master Broker/Correspondent Agreement between these same parties, dated _____ (this Addendum and the Master Broker/Correspondent Agreement being sometimes collectively referred to as this “Agreement”). The parties agree as follows:

1.1 Submission and Approval.

(a) Customer shall be responsible for providing loan applications and related disclosures required by any and all Laws to Mortgage Loan applicants and for obtaining executed loan applications and disclosure forms. Customer shall obtain appraisal, credit, and all other documentation required by Mid America for each Mortgage Loan for which an individual borrower has authorized Customer to provide financing. Customer shall utilize Mortgage Machine to submit the loan application and Original Credit Documents to Mid America for its pre-purchase review, along with all other property and credit information as specified in the Guide. Customer shall submit the Original Credit Documents by electronic transmission to Mid America to create an exact duplicate image of the documents on Mortgage Machine.

(b) All appraisals must strictly comply with all appraisal standards, policies and procedures of Mid America, the Agencies, all applicable Laws, and the Uniform Standards of Professional Appraisals. The appraisal cannot be performed by an employee, agent or affiliate of the Customer.

(c) Loans may be underwritten by Customer if Customer has been granted Delegated Authority by HUD Office of Native American Programs (ONAP) and Mid America. Loans may also be directly underwritten by ONAP. Loans may also be underwritten by Mid America and a underwriting fee will be assessed at loan purchase according to the fee schedule in the Guide. Mid America will purchase files that have been underwritten by ONAP or Delegated Underwriters if those files conform to the HUD ONAP Section 184 Processing Guidelines and the Mid America underwriting overlays which are published and amended from time to time in the Guide. All loans shall be evaluated on an individual basis by Mid America, unless Delegated Authority has been granted. Decisions as to the acceptability of Mortgage Loans for purchase or funding by Mid America shall be solely at the discretion of Mid America. Mid America shall have no responsibility to purchase or fund any Mortgage Loan until all underwriting and closing conditions have been met.

(d) Any Commitment issued by Mid America is voidable by Mid America if Mid America believes that Customer breached any material term or condition of the Agreement as to any Mortgage Loan submitted or offered by Customer under the terms of this Agreement.

(e) Each party’s rights under this Agreement are non-exclusive, with each party being free to contract with other parties for the purposes set forth herein.

2.1 Loans.

(a) All Correspondent Loans shall be closed by a title agency or settlement attorney approved by Mid America. No officer, employee or agent of Customer shall close any Correspondent Loan.

(b) Customer shall disburse and deliver Loans no later than the lock-in expiration date.

(c) Customer shall deliver to Mid America, no later than two (2) business days prior to the rate lock expiration date, the Purchasable Closing Package containing all of the Mortgage Loan Documents required by the Guide. Failure to deliver all Mortgage Loan Documents according to the procedures in the Guide and this Agreement may cause Mortgage Loan to be subject to re-pricing at such price to be determined by Mid America in its sole discretion.

(d) Mid America shall conduct a post-closing review of each Mortgage Loan Agreement prior to purchasing loan from Customer to determine if the Mortgage Loan Documents have been properly executed and that the Mortgage Loan has been closed in accordance with the Commitment, the Guide, and this Agreement. Mid America, in its sole discretion, may reject any Mortgage Loan which does not comply with the terms and conditions of the Commitment, the Guide, or this Agreement.

(e) Mid America shall, after its post-closing review, purchase the Mortgage Loan from Customer at the Purchase Price established, which includes any applicable adjustments described by this Agreement.

(f) The payment of the Purchase Price by Mid America for any Mortgage Loan shall in no way relieve Customer from or constitute a waiver of any of the requirements of the Guide, or from the representations and warranties made as to every Mortgage Loan under the terms of this Agreement, or from the obligations to repurchase said Mortgage Loan under Article V hereof.

(g) All Mortgage Loans sold to Mid America pursuant to this Agreement shall be sold with all Servicing Rights released to Mid America.

(h) All necessary steps have been taken by Customer to make and keep all guarantees and insurance as required by Mid America valid, binding and enforceable. Customer shall make Mid America the loss payee on each title policy, mortgage insurance policy, hazard insurance policy, and flood insurance policy. For each Mortgage Loan, the applicable Loan Guarantee Certificate (LGC) issued by HUD Office of Native American Programs (ONAP) shall be delivered to Mid America within ninety (90) days after Closing will be, in full force and effect, and there exists no defense or impairment to full recovery there under to the maximum extent provided thereby, without indemnity to HUD or FHA.

3.1 Customer Representations and Warranties. Regarding Correspondent Loans - Customer represents, warrants and covenants that:

(a) Mortgage Loan Documents submitted by Customer are in every respect valid and genuine, being what they purport to be and all information submitted in each Mortgage Loan Document is true and accurate. The Mortgage Loan Documents have been duly executed by Borrower, acknowledged and sent for recording; the Borrower is the true and only obligor on the Mortgage Loan and is the real party in interest thereon, and there is no verbal understanding or written modification which would affect the terms of the Note or Mortgage.

(b) The full principal amount of the Mortgage Loan has been advanced on behalf of the Borrower by the Settlement Agent at the time of assignment to Mid America. The unpaid balance of the Mortgage

Loan is as represented by Customer. All costs, fees, and expenses incurred in making, closing, and recording the Mortgage Loan have been paid.

(c) Each Mortgage Loan assigned to Mid America is at the time of assignment a valid first lien on the entire Mortgaged Property described in the Mortgage. The Mortgaged Property is free and clear of all encumbrances and liens having priority over the lien of such Mortgage, and no part of the Mortgaged Property has been released from the lien of the Mortgage. Each Mortgage is duly executed and has been sent for recording. The Mortgaged Property is real estate upon which is located a one-to-four unit residential dwelling. Customer warrants that, to the best of its knowledge, the Mortgaged Property is free from damage (including but not limited to any damage by fire, windstorm, or other casualty) and in good condition. Customer will defend the Mortgage Loan against all claims whatsoever, and it has full right, title and authority to transfer the same.

(d) Customer is the sole originator of the Mortgage Loan unless a valid Third Party Originator Addendum has been executed by Customer and Mid America. Customer has the authority to sell, transfer, and assign such Mortgage Loan on the terms herein set forth. There has been no assignment, sale or pledge thereof by Customer, and as of the date of purchase by Mid America, the Mortgage Loan will be free and clear of claims or encumbrances of any type.

(e) Customer shall endorse the original Note without recourse to Mid America. Customer acknowledges that any executed agreement, power of attorney, or consent resolution that grants Mid America the authority to execute, assign, or endorse Mortgage Loan Documents on behalf of the Customer does not release Customer from the responsibilities listed herein.

(f) A title insurance commitment and title insurance policy on currently prescribed American Land Title Association ("ALTA") forms (or such other form approved in writing by Mid America and acceptable to HUD and Fannie Mae or Freddie Mac) will be furnished to Mid America and will insure Mid America, its successors and/or assigns, without exceptions, as holding the first lien against the Mortgaged Property for the full amount of the Mortgage Loan.

(g) There is in force for each Mortgage Loan a hazard insurance policy meeting the requirements of Mid America as set forth in the Guide. There is in force such flood insurance policy as is required under the Flood Disaster Protection Act of 1973, as amended, and its implementing regulations.

(h) Customer shall have all final recorded documents and title policies delivered to Mid America within sixty (60) days of closing. Failure to do so may result in additional Final Document Recovery fees being assessed to Customer.

(i) Because Mid America intends to sell the Mortgage Loans to investors in the secondary market., the Mortgage Loans are in full compliance with all pertinent requirements of Fannie Mae, Freddie Mac, Ginnie Mae, FHA, and VA.

(j) There are no circumstances or conditions with respect to any Mortgage Loan, Mortgaged Property, the Borrower, or the Borrower's credit standing that can be reasonably expected to cause private institutional investors, Fannie Mae, Freddie Mac, or Ginnie Mae to regard the loan as an unacceptable investment, cause the Mortgage Loan to become delinquent or adversely affect the value or marketability of the Mortgage Loan.

(k) For each individual Mortgage Loan, Borrower shall execute appropriate documentation acknowledging that each such Borrower has received all necessary disclosures required by state and federal laws and regulations, including (if applicable) adjustable and balloon rate mortgage disclosures.

(l) Each Mortgage Loan originated in Customer's name is not 15 days or more delinquent and there are no defaults in complying with the terms of any Mortgage Loan, and all taxes, governmental assessments, insurance premiums, water, sewage, and municipal charges relating to any Mortgage Loan which previously became due and owing have been paid, or an escrow of funds has been established in an amount sufficient to pay for every such item which remains unpaid. Customer represents and warrants that it has not advanced funds, or induced, solicited, or knowingly received any advance of funds by a party other than the borrower, directly or indirectly, for the payment of any amount required by the Mortgage Loan. With respect to escrow deposits and payments in those instances where such were required, there exist no deficiencies in connection therewith for which customary arrangements for repayment thereof have not been made, and no escrow deposits or payments or other charges have been capitalized under the Mortgage or the Mortgage Note.

(m) Borrower has no rights of rescission, setoffs, counter-claims, or defenses to the Note or Mortgage securing the Note arising from the acts and/or omissions of the Customer in the origination, processing, or closing of the Mortgage Loan.

(n) Compensation received by Customer shall not exceed the fair market value of its services. Customer agrees that it shall not accept any fee or other compensation except as permitted by applicable law and regulation, and that it has disclosed any fee or other compensation in writing to the Borrower and Mid America as required by applicable law and regulation.

(o) The total points and revenue fees are less than or equal to 5% of the Mortgage Loan Amount.

(p) Each Mortgage Loan sold to Mid America is not a "High Cost Loan" or "predatory loan" as defined by the following: (i) Home Ownership and Equity Protection Act of 1994, specifically Section 32 of Regulation Z; (ii) The North Carolina Predatory Lending Act (applicable to North Carolina properties only); (iii) Part 41 of the New York Banking Board (applicable to New York properties only); or (iv) any other state law or municipal ordinance.

(q) At no time within 180 days of date a Mortgage Loan is purchased by Mid America shall Customer, its agents, affiliates, or subsidiaries, take any action, including but not limited to the solicitation of the Borrower, to refinance or satisfy a Mortgage Loan. Notwithstanding anything to the contrary contained herein, if any Mortgage Loan sold to Mid America is paid-in-full within 180 days following the date of purchase by Mid America, Customer shall pay to Mid America a penalty fee of not less than one percent (1%) of the original Mortgage Loan Amount as listed in the Guide.

(r) Customer shall be responsible for all HMDA reporting and for 1098 reporting of origination fees, discount points, and pre-paid interest to the Internal Revenue Service for Mortgage Loans originated by Customer under the terms of this Agreement.

(s) Each of the above representations and warranties is for the benefit of Mid America and its successors and/or assigns and continues in full force and effect for so long as the Mortgage Loan remains

outstanding and for such time that Mid America is subject to any risk of loss or liability as to any Mortgage Loan purchased from Customer.

4.1 **Repurchase of Mortgage Loans by Customer.** Customer agrees that upon written request Customer shall immediately repurchase, at the Repurchase Price, any Mortgage Loan sold to Mid America pursuant to this Agreement for any of the following reasons:

(a) If Mid America determines the Mortgage Loan is not eligible under the Mortgage Loan Program for which it was registered and delivered by the Customer.

(b) Mid America is required to repurchase said Mortgage Loan from Fannie Mae, Freddie Mac, or any other third party investor for any reason involving the origination or closing of the Mortgage Loan.

(c) If a Borrower is ninety (90) days or more delinquent with any of the first six (6) monthly payments due on any Mortgage Loan following the date on which Mid America funds such Mortgage Loan or disburses funds to purchase such Mortgage Loan, as applicable.

(d) Customer fails to deliver the LGC or any other relevant post-closing documents required by ONAP or GNMA within the time frames delineated above.

4.2 **Miscellaneous.**

(a) All capitalized, defined terms shall have the same meaning as in the Agreement, unless a different definition is provided in this Addendum.

(b) To the extent of any conflict in the provisions of this Addendum and the Agreement, such conflict will be resolved in accordance with the terms and conditions of this Addendum.

(c) The parties ratify and confirm all of the terms and conditions of the Agreement, except as supplemented or amended by this Addendum.

CUSTOMER:

By: _____

Name: _____

Title: _____

Date: _____

MID AMERICA:

Mid America Mortgage, Inc.

By: _____

Brett J. Robinson

Division Manager – 1st Tribal Lending

Date: _____