



BANKER/BROKER APPLICATION

SECTION 1 - GENERAL INFORMATION

- A - Company Legal Name _____
- B - DBA (if applicable) _____
- C - Street Address _____
- D - City, State, Zip _____
- E - Main Office Address (per license) _____
- F - Primary Contact Name _____
- G - Telephone # _____
- H - Fax # _____
- I - Email/Fax for rate sheets _____
- J - Email for correspondence and/or closing packages _____
- K - For licensed bankers only:

Loans will be closed in: ___ Company Name ___ Security Atlantic's name
 Loans will be funded by: ___ Company ___ Security Atlantic

NOTE: If funding is by applicant, then the addendum (page 11) must also be completed. Additionally, please see the last page of this document which describes how docs are prepared, etc. depending on the manner in which the loan is closed and/or funded.

- L. Do you wish to establish an FHA Principal - Agent Relationship with Security Atlantic Mortgage Co, Inc.?
 ___ Yes (please complete the addendum on page 13) ___ No

SECTION 2 - ACCOUNTING INFORMATION

- A - Company Type (check one) ___Corporation ___LLC ___Partnership ___Sole Proprietor
- B - Company in Business Since _____
- C - Federal Tax ID/Social Security No. _____
- D -1099 Tax Name (per W-9 Form) _____
- E - Broker of Record _____
- F - Does company have a warehouse line of credit? ___Yes ___No
- G - If company has a warehouse line of credit, please provide bank information, wire instructions, etc. on a separate sheet.

SECTION 3 - LICENSE INFORMATION

(Use separate sheet if necessary)

<u>State(s)</u>	<u>Licensed As</u>	<u>Type</u>	<u>License Number</u>	<u>Expiration Date</u>
_____	<input type="checkbox"/> Broker <input type="checkbox"/> Banker	<input type="checkbox"/> 1st <input type="checkbox"/> 2nd	_____	_____
_____	<input type="checkbox"/> Broker <input type="checkbox"/> Banker	<input type="checkbox"/> 1st <input type="checkbox"/> 2nd	_____	_____
_____	<input type="checkbox"/> Broker <input type="checkbox"/> Banker	<input type="checkbox"/> 1st <input type="checkbox"/> 2nd	_____	_____
_____	<input type="checkbox"/> Broker <input type="checkbox"/> Banker	<input type="checkbox"/> 1st <input type="checkbox"/> 2nd	_____	_____
_____	<input type="checkbox"/> Broker <input type="checkbox"/> Banker	<input type="checkbox"/> 1st <input type="checkbox"/> 2nd	_____	_____

SECTION 4 - COMPANY OWNERSHIP INFORMATION

A - If company has an ownership interest in a title company, please provide the name and address of the title company:

B - Other company names and/or license numbers: _____

C - Principal Officers for corporations and partnerships, or Members if company is LLC

<u>Name (First Middle Last)</u>	<u>Title</u>	<u>Social Security #</u>	<u>% of Ownership</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

SECTION 5 - BRANCH OFFICES

(Use separate sheet if necessary.)

<u>Branch Address</u>	<u>Primary Contact Name</u>	<u>Phone #</u>	<u>Fax #</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

SECTION 6 - AGENCY APPROVAL NUMBERS

NOTE: If branches have separate ID numbers, please provide a list of these

FHA _____ FNMA _____ VA _____ FHLMC _____

SECTION 7 - BUSINESS REFERENCES (MINIMUM THREE WHOLESALE REFERENCES)

<u>Wholesale Lender Name Street, City, St, Zip</u>	<u>Date Relationship Established</u>	<u>Primary Contact</u>	<u>Telephone #</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

SECTION 8 - DECLARATION AND AUTHORIZATION

Each of the undersigned declares that the foregoing information and all accompanying information are true to the best of his/her knowledge and belief. Security Atlantic Mortgage Co., Inc. is hereby authorized to obtain verification from any source named herein (including character and business references as well as personal credit reports) in connection with this application and subsequent annual renewals. A photographic copy of this authorization may be used as a duplicate original. Security Atlantic Mortgage Co., Inc. will treat this information as confidential.

All principal officers must sign and date below.

<u>Officer Name (Print)</u>	<u>Officer Signature</u>	<u>Date</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

PLEASE INCLUDE ALL OF THE FOLLOWING

- Executed Loan Purchase Agreement
- Executed and Notarized Limited Power of Attorney (for licensed bankers planning to close in own name but using Security Atlantic's funds). Blank form is attached.
- Current State Broker/Banker Licenses for all States in which company is licensed (must indicate correct business name and address).
 - If the State does not require a mortgage broker or mortgage banker license, please state so and provide a copy of the State regulation supporting this fact.
 - For companies with multiple branches, a license must be submitted for each branch that will submit loans.
- State d/b/a approval, if applicable, and license reflecting both corporate and d/b/a names
- If company will fund its own loans, please provide:
 - Management-certified Financial Statements dated within 90 days, and a copy of most recent audited financial statements; and,
 - Executed addendum (attached herewith)
 - Warehouse bank information (name, address, wire account number, contact person)
- Resumes for all company officers and key personnel. Resumes must reflect satisfactory origination, processing, closing, and management experience.
- Executed W-9 Form.
- Mortgage Bond with agent's contact information
- Corporate resolution authorizing company to transact business with Security Atlantic Mortgage Co., Inc.
- Completed Fax Authorization Form
- Copy of Quality Control Plan
- Copy of Most Recent Quality Control Audit Summary
- Copy of

YOUR SECURITY ATLANTIC ACCOUNT EXECUTIVE _____

If you would like assistance or clarification, please contact either:

Susan Ciccone
(866) 933-6342 - Ext. 234
E-mail: s.ciccone@fhaland.com
Fax: (866) - 919-9514

Or

Werner Jasinski
(866) 933-6342 - Ext. 233
E-mail: w.jasinski@fhaland.com
Fax: (866) - 919-9514

LOAN PURCHASE AGREEMENT

This Agreement is made as of this day of , 200 by and between Security Atlantic Mortgage Co., Inc., a New Jersey corporation (the “Purchaser”) and (The “Seller”)

WHEREAS, Seller is in the business of originating 1-4 family, residential mortgage loans for sale and assignment to investors to close either in the name of such investors or in the name of Seller for simultaneous sale and assignment to investors (each a “Loan”); and

WHEREAS, Seller desires to sell and assign, and Purchaser desires to purchase, eligible loans, in accordance with the terms of this Agreement.

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

AGREEMENT

1. Relationship of Parties

A. The relationship between the parties is an independent contractor relationship. The Seller is not an agent of Purchaser and shall not represent to any third party that it is acting as an agent for Purchaser, nor shall it use Purchaser’s name in any advertising without Purchaser’s express prior written consent. Nothing contained in this Agreement shall obligate the Seller to submit all Loans to Purchaser or obligate Purchaser to fund all Loans submitted by the Seller.

2. Loan Applications

A. The Seller shall be responsible for the accurate preparation and execution of a complete property and credit loan application package (“Loan Package”) on each loan request submitted. Each loan and each loan package shall conform to Purchaser’s policies and procedures as may be modified from time to time at Purchaser’s discretion. Eligibility criteria and registration procedures (including the procedure for locking-in the interest rate and/or points) for the making of loans based on factors such as type of loan, loan limits, loan-to-value ratios, interest rates, price and fees, payment features, documentation requirements and credit standards will be prescribed by the Purchaser.

3. Federal Disclosure Requirements

A. Pursuant to Regulation Z of the Federal Reserve Board, 12 CFR Section 226.17(d), Seller and Purchaser hereby agree that Seller shall be responsible for, and agrees to issue to the applicant within the required timeframe, any initial Truth in Lending disclosures required by Reg. Z, Sections 226.18 and 226.19. Seller shall also be responsible for, and shall provide to the applicant within the required time frame, the special information booklet and the Good Faith Estimate of Closing Costs required by RESPA. If the Loan will be closed in Seller’s name, Seller shall also be responsible for, and shall provide to the applicant within the required timeframe, the Servicing Disclosure Statement required by RESPA, and the applicant’s signed Acknowledgment of receipt of the Servicing Disclosure Statement shall be included in the Loan Package.

4. Underwriting/Approval/Closing/Funding

A. Purchaser shall have the sole responsibility for underwriting and approving the Loans. The Seller shall not hold itself out to prospective borrowers as having the authority to approve Loan Applications or to issue Loan commitments on behalf of Purchaser. The Seller shall not represent that Purchaser has approved or will approve any Loan until the Seller is so informed by Purchaser in writing. Purchaser shall prepare the closing documents or, prior to closing, will be given the opportunity to review and approve the closing documents prepared by the Seller or Seller’s designee. Purchaser shall directly or indirectly fund each closed Loan in such fashion that the Seller shall not be required to use its own funds or warehouse lines of credit, provided such Loan meets the terms and conditions of this Agreement and the Guide.

5. Commitment

- A. This Agreement contemplates that Seller and Purchaser may enter into commitments (“Commitments”) for the purchase and sale of eligible Loans. Such Commitments may result from the written confirmation by Purchaser of oral communication. Seller and Purchaser agree that each commitment shall be:
- i. A binding contract subject to the performance by the Seller of its obligations specified herein, the performance of such obligations being conditions to Purchaser’s performance;
 - ii. Deemed to contain and incorporate each and every term and condition of this Agreement and the Guide. Seller shall be obligated to deliver any Loan to Purchaser on a mandatory basis that Seller registers with Purchaser as long as
 1. Seller actually closes the Loan or causes the Loan to be closed with a third party and
 2. Purchaser has not rejected such Loan for purchase.

6. Purchase Price, Disclosure

- A. The purchase price (“Purchase Price”) for each Loan shall be the compensation paid by Purchaser pursuant to this Agreement for, among other purposes,
- i. The release and sale to Purchaser of servicing rights (“Servicing Rights”) created or in the process of creation by Seller;
 - ii. The goods actually furnished from the sale of a Loan or a Loan Package;
 - iii. The savings in production costs realized by Purchaser as a result of the use of the Seller’s staff and facilities in lieu of the Purchaser’s own “retail” branch office; and
 - iv. Other services actually performed by Seller for the benefit of the Purchaser in the origination and sale of a Loan or a Loan Package, the value and scope of which may vary for each transaction under this Agreement.
- B. The Purchase Price for the sale, transfer, conveyance and assignment of a Loan or Loan Package shall be determined by reference to Purchaser’s then current rate sheets; provided, however, that such Purchase Price shall not exceed the reasonable value for the services, goods and facilities provided by Seller to Purchaser. Seller and Purchaser hereby agree that:
- i. The rate sheet relies on the market value of comparable residential mortgage loans and mortgage backed securities in the secondary market to determine Purchaser’s compensation hereunder,
 - ii. The market value of such financial instruments may be less than the reasonable value of the services, goods and facilities provided to Purchaser by Seller and
 - iii. The ceiling set forth above is intended to assure that the Purchase Price does not exceed such reasonable value. Nothing shall be owed to the Seller by Purchaser on account of any proposed Loan or Loan Package which is not closed and funded by Purchaser.
- C. Nothing in this Agreement prohibits the Seller, if permissible under applicable federal and state law, from imposing fees upon borrowers (“Borrowers”) for consultations and other services; provided, however, that
- i. If required by applicable law, such fees shall be imposed pursuant to a duly executed written agreement between the Seller and its Borrowers; and
 - ii. All compensation shall be disclosed on the Good Faith Estimate of Closing Costs and the HUD-1/1A Settlement Statement in accordance with applicable law. Seller shall enter into a written agreement with the Borrower at the time of application, as is acceptable to Seller and Purchaser (or if applicable state or federal law obligates an alternative disclosure form or agreement to be furnished to the Borrower by the Seller, such other form as complies with applicable law).
- D. Unless otherwise regulated by state or federal law, the agreement between the Borrower and Seller should address issues such as:
- i. Lack of agency between Seller and Purchaser;
 - ii. Lack of agency or fiduciary duty between Seller and Borrower; and
 - iii. That Seller may be paid by both the Borrower and Purchaser. Seller is responsible for compliance with any applicable state or federal laws.

7. The Seller’s Warranties

- A. The Seller represents and warrants to Purchaser, as of the time any Loan Package is submitted to Purchaser, and as of the time the Loan is closed and funded, that:
- i. *Duly Licensed.* The Seller possesses all necessary licenses, permits, and authority to engage in the activities contemplated by this Agreement. The Seller will provide to Purchaser upon request proof of such licensing.
 - ii. *Compliance with Laws/Purchaser’s Guide.* With respect to each Loan submitted by the Seller and funded by Purchaser, the Seller has complied with the Guide and with all local, state, and federal laws and

regulations related to performance of the Seller's responsibilities pursuant to this Agreement, including, but not limited to the Real Estate Settlement Procedures Act and Regulation X, the Fair Credit Reporting Act, the Equal Credit Opportunity Act and Regulation B, and the Truth-in-Lending Act and Regulation Z. With respect to each Loan submitted by the Seller and funded by Purchaser, the Loan meets the requirements of the Guide.

- iii. *No Other Parties.* The Seller warrants that each loan submitted to the seller was not originated by a third party mortgage lender or net branch.
- iv. *Services Performed.* With respect to each Loan submitted by the Seller and funded by Purchaser, Seller has assisted the Borrower with completing the application, and Seller performs at least one of the following "non-counseling" type services:
 - 1. Take and review the application
 - 2. Initiating/ordering verifications of employment and deposits;
 - 3. Initiating/ordering requests for mortgage and other loan verifications;
 - 4. Initiating/ordering appraisals;
 - 5. Initiating/ordering inspections or engineering reports;
 - 6. Providing disclosures (Truth-in-Lending, Good Faith Estimate, etc.) to the Borrower;
 - 7. Ordering legal documents;
 - 8. Determining whether the property is located in a flood zone or ordering such service;
 - 9. Participating in the loan closing.
- v. In addition, the Seller performs a minimum of five in iii above, we specify "one"? services in all from the "non-counseling" type services listed above and the "counseling-type" services listed below:
 - 1. Analyzing the prospective Borrower's income and debt, and pre-qualifying the prospective Borrower to determine the maximum mortgage that the prospective Borrower can afford;
 - 2. Educating the prospective 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 product;
 - 3. Collecting financial information (tax returns, bank statements, etc.) and other related documents that are part of the application process;
 - 4. Assisting the Borrower in understanding and clearing credit problems;
 - 5. Maintaining regular contact with the Borrower, Realtors, and Purchaser between application and closing to apprise all parties of the status of the application and to gather any additional information as needed.

Seller further warrants that such services were necessary for the transaction and were not duplicative of services performed by others.

- vi. *No Untrue Statements.* The Seller shall not submit in any Loan Package any false or erroneous information or statements, or omit any material fact necessary to make any statement or information included in the Loan Package true, accurate and complete.
- vii. *Ownership.* Except as otherwise disclosed to Purchaser in writing before the submission of any Loan Package, the Seller shall have no direct or indirect ownership interest in any property acting as security for the Loan, or any business or personal affiliation with or interest in, any provider of settlement services on the Loan, including, but not limited to, the credit reporting agency, real estate agents, appraiser, and title agent.
- viii. *Absence of Claims.* Except as previously disclosed by the Seller to Purchaser in writing, there is not pending or, to the best of the Seller's knowledge, threatened any suit, action, arbitration, or legal, administrative, or other proceeding or governmental investigation, including an investigation undertaken in response to an allegation of fraud by another lender or an investigation undertaken pursuant to a license revocation proceeding (collectively referred to as "Claims") against the Seller which could have a materially adverse effect on the Seller's business, assets, financial condition, operations or reputation. The Seller shall promptly give written notice to Purchaser of the occurrence of any such Claim.
- ix. *Authority.* This Agreement and all actions provided for in this Agreement have been duly authorized by the Seller's Board of Directors, if the Seller is a corporation, or by such individuals empowered and authorized to enter into agreements on behalf of the Seller. This Agreement constitutes a valid and legally binding agreement of the Seller enforceable in accordance with its terms. The Seller either:
 - 1. Is not a federally-insured institution or an affiliate or subsidiary of a federally-insured institution, or

2. Is a federally-insured institution or an affiliate or subsidiary of a federally-insured institution, and, if it is, then
 - a. The sale to Purchaser of the Loans pursuant to this Agreement has been either
 - i. Specifically approved by the Board of Directors of the Seller and such approval is reflected in the minutes of the meetings of such Board of Directors or
 - ii. Approved by an officer of the Seller who was duly authorized by the Board of Directors to enter into such types of transactions and such authorization is reflected in the minutes of the Board of Directors' meetings, and
 - b. This Agreement constitutes the "written agreement" governing the Seller's sale to Purchaser of the Loans, and Seller shall continuously maintain all components of such "written agreement" as an official record of the Seller (or any successor thereto).
- x. *Sale of Loans.* The Seller has no knowledge of any circumstances or conditions with respect to any Loan that can be reasonably expected to cause any governmental, quasi-governmental or private institutional investors to regard any Loan as an unacceptable investment, cause any Loan to become delinquent or adversely affect the value or marketability of any Loan.
- xi. *Reimbursement.* The Seller will reimburse to Purchaser any amounts paid by Purchaser to Seller if any Loan is rescinded by a Borrower and Purchaser must refund such amounts to Borrower.
- xii. *Prudent Business Practices.* The Seller will originate all Loans in a manner consistent with customary business practices followed in the origination and brokering of loans.
- xiii. *Payments and Advances.* Purchaser has not advanced funds, or induced, solicited or knowingly received any advance of funds by a person other than the mortgagor, directly or indirectly, for the payment of any amount required under or to obtain the mortgage loan. The mortgagor has made any down payment required in connection with the mortgage loan and has received no concession from purchaser, the seller of the mortgage property, or any other third person, except as clearly disclosing in writing to seller
- xiv. *Damage; condemnation* – To the best of seller's knowledge, there is no proceeding pending for the total or partial condemnation of the mortgage property and such property is undamaged by waste, fire, earthquake, earth movement, windstorm, flood, tornado, or other casualty, so as to affect adversely the value of the mortgage property as security for the mortgage loan, the use for which the premises were intended or the eligibility of the mortgage loan for full payment of insurance benefits and there are no pending or threatened proceedings for total or partial condemnation of the mortgage property.

8. Indemnification

- A. The Seller, in addition to any other rights and remedies that Seller may have, shall indemnify and hold harmless Purchaser and its shareholders, directors, officers, agents, successors, and assignees from any loss (including loss of servicing rights), damages, suits, claims, or expenses of any nature (including attorney's fees and costs of suit) against Purchaser resulting from
 - i. Any breach of any representation or warranty contained in paragraph 7 above; or
 - ii. The Seller's failure to perform any obligation set forth in this Agreement. The Seller's obligation to indemnify Purchaser under this Agreement shall not be affected by Purchaser's taking any of the following actions with or without notice to the Seller:
 1. Liquidation, repayment, retirement or sale or resale of any Loan;
 2. Foreclosure of any Loan; or
 3. Sale or resale of the property securing the Loan.

9. Early Repayment

- A. If the Seller refinances a mortgage loan within 180 days after Purchaser purchases such mortgage loan, purchaser may, in its discretion, require the Seller to reimburse to Purchaser any Seller paid fees and other such amounts paid by Purchaser to Seller in connection with Purchase of such mortgage loan.

10. Repurchase Agreement

- A. In addition to other rights and remedies that Purchaser may have, in the event there exists a basis to demand indemnification under paragraph 8 above, and the Loan in question is directly or indirectly funded by Purchaser, Purchaser may demand that the Seller cure the breach in all material respects within 30 days to the satisfaction of Purchaser. In the event the breach cannot be cured to Purchaser's satisfaction, Purchaser may require Seller to repurchase the Loan from Purchaser or the applicable investor. The repurchase price shall equal the sum of:

- i. The unpaid principal amount of the Loan as of the date of repurchase, net of any escrow balances, plus all accrued but unpaid interest on the principal balance of the Loan through the date of repurchase (or, if greater, the amount paid by Purchaser to the applicable investor to repurchase the Loan); plus
- ii. Any un-reimbursed advances by Purchaser in servicing the Loan plus
- iii. Any portion of the Purchase Price paid to the Seller in excess of par; plus
- iv. All costs and expenses incurred by Purchaser in enforcing the Seller's obligation to repurchase the Loan, including, without limitation, reasonable attorney's fees and costs of suit. Seller shall be responsible for the payment of all recording fees and other expenses related to the repurchase of the Loan.

11. Termination of Agreement.

- A. Either party may terminate this Agreement at any time, upon written notice to the other party. Any termination shall not affect
 - i. Purchaser's obligation to fund any Loan which Purchaser has committed to fund, provided such Loan meets the terms and conditions of this Agreement;
 - ii. Purchaser's obligation to pay any amounts due to Seller under this Agreement; or
 - iii. Any other obligation already committed to by either party under this Agreement, including the obligations of the Seller with respect to indemnification pursuant to the terms herein.

12. Notice of Certain Matters

- A. The Seller shall promptly give written notice to Purchaser of
 - i. The occurrence of any breach of a representation or warranty as set forth in paragraph 7 of this Agreement;
 - ii. Any event or condition which could have material adverse effect on the business, operations, assets or financial condition of the Seller; and
 - iii. Receipt by the Seller of notice from any agency concerning revocation or suspension of the Seller's license to conduct business.

13. Miscellaneous

- A. *Governing Law.* This Agreement shall be governed by the laws of the State of New Jersey.
- B. *Notices.* All notices required to be provided pursuant to this Agreement shall be delivered to the addresses provided below. Notices shall be in writing and shall be deemed to have been given and received only
 - i. Upon delivery, if personally delivered to a party;
 - ii. One business day after the date of dispatch, if by facsimile transmission;
 - iii. One business day after deposit, if delivered by a nationally recognized courier service offering guaranteed overnight delivery; or
 - iv. Three business days after deposit in the United States first class mail, certified mail, postage prepaid, return receipt requested.
- C. *Assignment.* The Seller may not assign this Agreement without prior written consent of Purchaser. Purchaser may assign this Agreement upon notice to the Seller.
- D. *Severability.* If any provisions of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision of this Agreement.
- E. *Entire Agreement.* This Agreement, together with the Guide, constitutes the entire agreement between the parties and supersedes all prior agreements and understandings. No supplement, modification, or amendment shall be binding unless executed in writing by both parties.
- F. *Waivers.* No waiver of any provision of this Agreement, whether by conduct or otherwise, shall be deemed or shall constitute a waiver of any other provision. No waiver shall be binding unless executed in writing by the party making the waiver.
- G. *Attorneys Fees.* If any legal action or other proceeding is brought for the enforcement of any provision of this Agreement, or because of an alleged dispute, breach, default or misrepresentation in connection with any of the provisions of this Agreement, the prevailing party or parties shall be entitled to reasonable attorneys' fees and other costs incurred in that action or proceeding.
- H. *Confidentiality.* Both parties agree to take all reasonable measures to protect the confidentiality of the other party's proprietary or confidential information.
- I. *Right of Offset.* Purchaser shall be entitled to offset any amount that may be due to it from the Seller under this Agreement against any amount to be paid by it to the Seller under this Agreement.

IN WITNESS WHEREOF, the parties have signed this Agreement as of the date set forth above.

("SELLER")

By: (printed name) _____
(signature) _____
Its: (title) _____

SECURITY ATLANTIC MORTGAGE CO., INC. ("PURCHASER")

Security Atlantic Mortgage Co., Inc.
dba Security Atlantic Wholesale Lending Group
619 Amboy Avenue, Edison, NJ 08837
(732) 738-7100 FAX 732-738-4905
Email: w.jasinski@fhaland.com

By: _____
Its: _____

**ADDENDUM TO LOAN PURCHASE AGREEMENT –
FOR BROKERS FUNDING THEIR OWN LOANS**

Addendum to Loan Purchase Agreement between Security Atlantic Mortgage Co., Inc. (SAMCO) and _____ (SELLER).

This Addendum authorizes the SELLER to sell closed loans to SAMCO subject to the following terms and procedures:

1. SAMCO will Prior Approve all loans.
2. All Underwriting Approval conditions must be cleared by SAMCO prior to closing. This must be evidenced by SAMCO'S "Clear To Close" document which must have been issued by SAMCO at or prior to loan closing.
3. SAMCO will prepare closing package in SELLER'S name and forward to Settlement Agent, including SELLER'S instructions for delivery of Note, as well as all specific instructions required by SELLER'S warehouse bank (if applicable).
4. SAMCO will instruct Settlement Agent to return closed loan packages to SAMCO, 619 Amboy Avenue, Edison, NJ 08837.
5. SAMCO recognizes that loans funded by SELLER'S Warehouse Bank are subject to a security interest in favor of such Warehouse Bank which will be automatically released upon SAMCO'S payment of loan purchase proceeds to such Warehouse Bank, in accordance with the terms of a specific Bailee Letter under which SELLER'S Warehouse Bank delivered the Note to SAMCO or SAMCO'S designee.
6. In the event a Settlement Agent returns a Note on any loan advance funded by SELLER'S Warehouse Bank, SAMCO agrees to immediately forward the Note to such Warehouse Bank.
7. SELLER must provide "Evidence of Disbursement" to SAMCO via fax (732-738-4372, attention: Johanna – Shipping Dept.).
8. SELLER must forward properly endorsed Note (or direct its Warehouse Bank to forward Note) to SAMCO.
9. Upon receipt of "Evidence of Disbursement" and a properly endorsed Note, SAMCO will forward a Purchase Advice to SELLER and wire the loan purchase proceeds to SELLER, per SELLER'S Warehouse Bank's instructions (if applicable).

In the event any conflicts arise between the Loan Purchase Agreement dated _____ and this Addendum, the provisions of this Addendum will prevail.

For: Security Atlantic Mortgage Co., Inc.

For: (Seller)

Werner Jasinski
Vice President

(Name)
(Title)



FAX AUTHORIZATION FORM

On July 3, 2003, the Federal Communications Commission (FCC) issued a Report and Order amending the regulations that implements the Federal Telephone Consumer Protection Act (TCPA). The regulations were approved on July 25, 2003. Most of the ruling was a result of the recent legislation with respect to the DO-NOT-CALL List. The impact specifically for this memo's purpose pertains to the use of Facsimiles.

The ruling prohibits any person or entity from sending any fax that contains an "unsolicited advertisement" which is defined as "any material advertising the commercial availability or quality of any property goods or services which is transmitted to any person without that person's prior expressed invitation or permission. This ruling becomes effective January 1, 2005. (more information can be found at <http://www.fcc.gov>)

Security Atlantic Mortgage Co., Inc. ("SAMCO") will from time to time fax various information to its clients or prospective clients. **By completing the below information, you acknowledge that you are authorizing our company to fax the referenced materials to your company.** (Your authorization does not mean that your company will receive increased correspondence from SAMCO).

Please further note that all faxes contain "opt out" information which allows the recipient to request that SAMCO discontinue sending any further faxes to the receiver. You may elect to opt out at any time you choose, simply by following the instructions in the "opt out" section.

Fax # _____

Phone # _____

Company _____

Address _____

City, State, Zip _____

Printed Name of Authorizing Person _____

Title of Authorizing Person _____

Signature and Date of Authorizing Person _____

Addendum Regarding FHA Direct Endorsement Lenders

If your company is an approved FHA Direct Endorsement Mortgagee and wishes to establish a PRINCIPAL/AGENT relationship with Security Atlantic Mortgage Co., Inc., please complete the information below.

Date of Company's Original FHA Approval: _____

Date of Company's Direct Endorsement Approval: _____

Purpose of having Security Atlantic Mortgage Co., Inc. underwrite FHA Mortgage Applications originated by your company but which could be underwritten by your company's underwriter:

NOTE: We do not accept third party originations under this program. Therefore, if your company is a DE lender which may underwrite FHA applications on behalf of its approved FHA Loan Correspondents, you may not submit these FHA applications to Security Atlantic Mortgage Co., Inc.

LIMITED POWER OF ATTORNEY

This Power of Attorney is made on _____ between _____, its President, whose address is _____ referred herein as "I" or "My" and the Agent, Security Atlantic Wholesale Lending Group, by Noel M. Chapman, its Executive Vice President whose address is 619 Amboy Avenue, Edison, NJ, referred herein as "You".

I appoint you to act as my Agent (Attorney In Fact) to do each and ever act which I could do for the following uses and purposes:

Endorse Mortgage Notes and Assignments on my behalf

I give you all the power and authority which I may legally give you. You may revoke this Power of Attorney or appoint a new Agent in your place. I approve and confirm all that you and your substitute may lawfully do on my behalf.

This Power of Attorney is effective now and remains in effect even if I become disabled. For the purpose of this Power of Attorney, I shall be considered to be under a disability if I am unable to manage my property and affairs effectively, for reasons such as mental illness, mental deficiency, physical illness or disability, advance age, chronic use of drugs, chronic intoxication, confinement, and determination by foreign power of disappearance.

By signing below, I acknowledge that I have received a copy of this Power of Attorney and that I understand its terms.

Witness: _____

Officer's Name

Company Name _____

State of:

County of:

I certify that on _____ personally came before me and acknowledged under oath to my satisfaction that he/she is the President of the Corporation named herein and personally signed this document and that he signed, sealed and delivered this document as his act and deed.

Notary _____

Commission Expires _____

Prepared by: _____

If one or more of your branch offices plan to originate mortgage loans in any State in which they believe they are exempt from licensing, please provide your certification to this effect and attach a copy of the reference within the State's Mortgage Banking or Brokering license requirements.

Please review the below criteria and assure that your company is able to comply.

	Close in Client Name Fund by Client	Close in Client Name Fund by Security Atlantic Mortgage Co., Inc.	Close in Security Atlantic Mortgage Co., Inc. Name Fund by Security Atlantic Mortgage Co., Inc.
Mortgage Proceeds	Wired by Client to settlement agent	Wired by Security Atlantic Mortgage Co., Inc. to settlement agent	Wired by Security Atlantic Mortgage Co., Inc. to settlement agent
Limited Power of Attorney Form	Not required	Client executes at time of signing with Security Atlantic Mortgage Co., Inc. This document will be copied and used for all subsequent Client closings involving funding by Security Atlantic Mortgage Co., Inc.	None
Mortgage / Deed of Trust	In name of Client with automatic assignment via MERS	In name of Client with automatic assignment via MERS	In Name of Security Atlantic Mortgage Co., Inc. (no assignment needed)
Assignment of Mortgage	See "Mortgage/Deed of Trust"	See "Mortgage/Deed of Trust"	See "Mortgage/Deed of Trust"
Note	In name of Client – To be endorsed to Security Atlantic Mortgage Co., Inc. when warehouse bank releases	In name of Client Will automatically be endorsed to Security Atlantic Mortgage Co., Inc. via the Limited Power of Attorney form executed by Client	In name of Security Atlantic Mortgage Co., Inc.
HUD-1	Lender name is shown as Client. No YSP disclosure required	Lender name is shown as Client. YSP disclosure is required	Lender name is shown as Security Atlantic Mortgage Co., Inc. YSP disclosure is required
Title Commitment	Shows Client as mortgagee	Shows Client as mortgagee	Shows Security Atlantic Mortgage Co., Inc.
Title Policy	If mailed to Client, it must then be mailed to Security Atlantic Mortgage Co., Inc.	If mailed to Client, it must then be mailed to Security Atlantic Mortgage Co., Inc.	If mailed to Client, it must then be mailed to Security Atlantic Mortgage Co., Inc.
HUD MIC	Security Atlantic Mortgage Co., Inc. will obtain	Security Atlantic Mortgage Co., Inc. will obtain	Security Atlantic Mortgage Co., Inc. will obtain
Homeowners Insurance Policy	Reflects Client as insured	Reflects Client as insured	Reflects Security Atlantic Mortgage Co., Inc.
Flood Insurance Policy	Reflects Client as insured	Reflects Client as insured	Reflects Security Atlantic Mortgage Co., Inc.
HOEPA Calculations (Federal and State)	Must be calculated by Client. Security Atlantic Mortgage Co., Inc. will calculate separately and compare with Client's calculations	Must be calculated by Client. Security Atlantic Mortgage Co., Inc. will calculate separately and compare with Client's calculations	Must be calculated by Client. Security Atlantic Mortgage Co., Inc. will calculate separately and compare with Client's calculations
Truth In Lending and Itemization of	Security Atlantic Mortgage Co., Inc. will prepare and issue at closing. However,	Security Atlantic Mortgage Co., Inc. will prepare and issue at closing. However, Client must	Security Atlantic Mortgage Co., Inc. will prepare and issue at closing. However, Client must check TIL

Amount Financed(issued at closing)	Client must check TIL laws (Federal and State) to determine Client's obligations	check TIL laws (Federal and State) to determine Client's obligations	laws (Federal and State) to determine Client's obligations
Truth In Lending and Itemization of Amount Financed(issued within 3 days of application)	Client prepares and gives to applicant	Client prepares and gives to applicant	Client prepares and gives to applicant
Good Faith Estimate of Settlement Costs (issued at closing)	In name of Client	In name of Client	In name of Security Atlantic Mortgage Co., Inc.
Good Faith Estimate of Settlement Costs (within 3 days of application)	Client prepares and gives to applicant	Client prepares and gives to applicant	Client prepares and gives to applicant
ECOA	Security Atlantic Mortgage Co., Inc. issues approval/denial notification to Client who is responsible to give to applicant	Security Atlantic Mortgage Co., Inc. issues approval/denial notification to Client who is responsible to give to applicant	Security Atlantic Mortgage Co., Inc. issues approval/denial notification to Client who is responsible to give to applicant
HOEPA (Federal and State)	Client and Security Atlantic Mortgage Co., Inc. are both responsible to assure that fees/rate do not exceed State and Federal limits and restrictions	Client and Security Atlantic Mortgage Co., Inc. are both responsible to assure that fees/rate do not exceed State and Federal limits and restrictions	Client and Security Atlantic Mortgage Co., Inc. are both responsible to assure that fees/rate do not exceed State and Federal limits and restrictions
HMDA	Both Client and Security Atlantic Mortgage Co., Inc. must include mortgage loan data on their respective HMDA reports	Both Client and Security Atlantic Mortgage Co., Inc. must include mortgage loan data on their respective HMDA reports	Both Client and Security Atlantic Mortgage Co., Inc. must include mortgage loan data on their respective HMDA reports