

# PRIMARY RESOURCE NETWORK, INC.



Dear BROKER:

Thank you for your interest in becoming an approved BROKER with PRIMARY RESOURCE NETWORK INC.

In order to process your application, we need the following items:

1. \_\_\_\_\_ COMPLETED BROKER APPLICATION
2. \_\_\_\_\_ EXECUTED LOAN FRAUD ACKNOWLEDGEMENT
3. \_\_\_\_\_ EXECUTED BROKER AGREEMENT
4. \_\_\_\_\_ EXECUTED AUTHORIZATION/CONSENT TO INQUIRY FORM
5. \_\_\_\_\_ COMPLETED W9 FORM (FEDERAL TAX ID #)
6. \_\_\_\_\_ COPY OF CURRENT STATE LICENSE
7. \_\_\_\_\_ RESUMES ON OFFICERS, KEY PERSONNEL AND BROKER
8. \_\_\_\_\_ BALANCE SHEET/ PROFIT & LOSS STATEMENT (CURRENT & SIGNED BY OFFICER/PRINCIPAL OF THE COMPANY)
9. \_\_\_\_\_ PROOF OF OWNERSHIP:

**Corporations:** Copy of Articles of Incorporation plus Secretary's certificate stating percentage of stock ownership or a full copy of the latest years corporate tax return with all schedule including ownership percentage.

**Partnership:** Copy of Partnership Agreement that states percentage of partnership allocated for each partner, and authorization to execute agreements, etc.

**Limited Liability Co. (LLC):** Copy of Articles of Organization and LLC Operating Agreement that should state the LLC members and their percentages of ownership in the LLC.

**Sole Proprietorship:** Copy of latest year's 1040 tax return that includes schedule C pertaining to the business.

Please call (800) 490-2274 Ext. 479 if you have any questions regarding this BROKER application. Thank you for furnishing PRIMARY RESOURCE NETWORK, INC. with the above information. We look forward to promptly approving your BROKER package.

Please send completed application with all attachments to:

Primary Resource Network, Inc.  
5959 W. Century Blvd Ste 710  
Los Angeles, CA 90045  
Attention: BROKER Approval dept.  
Broker Approval Fax #: (310) 670-2299

Please fax completed broker package in order to expedite approval processing. Please mail original package to the address listed above as original signatures required for approval completion.

**MORTGAGE BROKER APPLICATION**

**I. COMPANY INFORMATION (Check applicable boxes)**

Partnership ( ) Main Office ( )  
 Corporation ( ) Branch Office ( )  
 Sole Proprietorship ( )  
 LLC/LLP/LP ( )  
 Other: \_\_\_\_\_ ( )

Under the Laws of \_\_\_\_\_

Legal Name of Organization \_\_\_\_\_ Date Established \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

Telephone Number \_\_\_\_\_ Fax Number \_\_\_\_\_ Tax ID/SS Number \_\_\_\_\_

**PERSONS TO CONTACT:** 1. \_\_\_\_\_  
 Name Title Phone  
 2. \_\_\_\_\_  
 Name Title Phone

**II. BROKER/OWNERSHIP INFORMATION**

**BROKER OF RECORD**

BROKER Name \_\_\_\_\_ License Number \_\_\_\_\_ Exp. \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

Area Code/Telephone Number \_\_\_\_\_ SS# \_\_\_\_\_

Yrs. In Business \_\_\_\_\_ Email Address (if any) \_\_\_\_\_

**BROKERS'S TITLE:** ( ) Partnership ( ) Officer  
 ( ) Sole Proprietorship \_\_\_\_\_ Owners % of Ownership

**PRINCIPALS OF THE COMPANY**

Name _____	Title _____
% of Ownership _____	Social Security Number _____
Name _____	Title _____
% of Ownership _____	Social Security Number _____
Name _____	Title _____

% of Ownership	Social Security Number
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Have you or any principal in your company had a license suspended or denied in the last 24 months ( ) NO, YES ( ) \* If yes, on a separate piece of paper, provide a letter of explanation.

**III. COMPANY OPERATIONS**

**MAIN OFFICE** (Indicate main office address and phone number)

Area/Telephone	Address	
Street	Zip Code	City

1. Does your firm have any other Branch Offices ( ) NO, ( ) YES  
 If yes, indicate number of offices \_\_\_\_\_.

**\*\*Please note that a branch license is required for each branch office in addition to resumes on key personnel. If this does apply please indicate accordingly.**

2. Indicate **A) addresses**, **B) phone numbers**, and, **C) branch license** for all Branch locations.

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**IV. KEY PERSONNEL**

Name	Title
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Area of Responsibility

Name	Title
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Area of Responsibility

Name	Title
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Area of Responsibility

**V. SUBSIDIARY FIRMS** Does your firm own or operate any other company, which provides real estate, related services? ( ) NO, ( ) YES Indicate type of business, name, address, and phone number, if answered yes.

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**VI. REFERENCES:** Please provide a list of current lender references. (AT LEAST THREE ACTIVE)

Name/Date Approved: _____ Address: _____ Phone/Contact: _____
Name/Date Approved: _____ Address: _____ Phone/Contact: _____
Name/Date Approved: _____ Address: _____ Phone/Contact: _____
Name/Date Approved: _____ Address: _____ Phone/Contact: _____

**Primary Bank References:**

Name Institution: \_\_\_\_\_  
Address: \_\_\_\_\_  
Phone/Contact: \_\_\_\_\_  
Acct#: \_\_\_\_\_

Name Institution: \_\_\_\_\_  
Address: \_\_\_\_\_  
Phone/Contact: \_\_\_\_\_  
Acct#: \_\_\_\_\_

By my signature below, I hereby warrant that all of the above (attached) information is correct and complete. This information is provided for analysis in determining my eligibility to BROKER to Primary Resource Network, Inc. You may verify the accuracy of information and my reputation through any sources including those listed herein.

**BROKER:** \_\_\_\_\_ Date: \_\_\_\_\_  
Name

\_\_\_\_\_  
Signature

**PRINCIPAL:** \_\_\_\_\_ Date: \_\_\_\_\_  
Name

\_\_\_\_\_  
Signature

**THIS APPLICATION MUST BE SIGNED BY THE BROKER OF RECORD AND, IF APPLICABLE, A PRINCIPAL.**

**MORTGAGE BROKER INFORMATION PAGE**

**Originates Loans in the Following States:**

\_\_\_\_\_

Total Dollar Volume Past 12 Months \$ \_\_\_\_\_

\_\_\_\_\_ % Conventional (A Paper)    1-4 Units \_\_\_\_\_ % FHA/VA \_\_\_\_\_ Other \_\_\_\_\_

**FULL NAME OF ALL LOAN OFFICERS / AGENTS (PLEASE PRINT)**

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

4. \_\_\_\_\_

5. \_\_\_\_\_

6. \_\_\_\_\_

7. \_\_\_\_\_

8. \_\_\_\_\_

9. \_\_\_\_\_

10. \_\_\_\_\_

**FULL NAME OF LOAN PROCESSORS/UNDERWRITERS (PLEASE PRINT)**

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

4. \_\_\_\_\_

**PRIMARY RESOURCE NETWORK, INC.**  
**AUTHORIZATION TO OBTAIN INFORMATION FOR A BUSINESS RELATIONSHIP**

The undersigned hereby authorizes Primary Resource Network, Inc., its affiliates, officers, employees, agents, and independent contractors to verify information provided by Program Participant Applicant, conduct public information inquiries, obtain a business credit report and, in accordance with section 604(3)(E) of the Fair Credit Reporting Act, obtain an investigative consumer credit report, on Program Participant Applicant and its officers, directors -,and shareholders for- business purposes. Such report may include investigation of such person's character, general reputation, or personal characteristics. You may request a disclosure of the nature and scope of the investigation response by writing to Primary Resource Network, Inc. at the address on Page I of this application. Program Participant Applicant waives all claim for errors, omissions, or inaccuracies in information developed and/or disclosed by Primary Resource Network,, Inc.

**CONSENT TO INQUIRY**

We hereby give our consent to have Primary Resource Network,, Inc. and/or its designated agent obtain any and all information concerning our employment, checking, and/or savings accounts, obligations and all other credit matters, which they may require in connection with our application to be a Program Participant.

This form may be reproduced or photocopied. A copy of the original signed form shall be considered effective consent.

All principals and key officers must sign this authorization and consent form. Please **SIGN** and **PRINT** name after each signature.

**COMPANY NAME:** \_\_\_\_\_

**BROKER OF RECORD**

SIGNATURE: \_\_\_\_\_ Date \_\_\_\_\_  
 Print Name: \_\_\_\_\_ Social Security \_\_\_\_\_  
 Home Address: \_\_\_\_\_  
 City/State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

**PRINCIPAL**

SIGNATURE: \_\_\_\_\_ Date \_\_\_\_\_  
 Print Name: \_\_\_\_\_ Social Security \_\_\_\_\_  
 Home Address: \_\_\_\_\_  
 City/State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

**PRINCIPAL**

SIGNATURE: \_\_\_\_\_ Date \_\_\_\_\_  
 Print Name: \_\_\_\_\_ Social Security \_\_\_\_\_  
 Home Address: \_\_\_\_\_  
 City/State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

**PRIMARY RESOURCE NETWORK, INC.  
LOAN FRAUD**

All approved wholesale Loan BROKERS (Correspondents) must be aware that the licensed real estate BROKER bears the responsibility for all actions of his or her employees or licenses. The BROKER is **responsible for the content and quality** of each application taken and each loan submitted to Primary Resource Network, Inc.

**THE SUBMISSION OF A LOAN APPLICATION CONTAINING FALSE  
INFORMATION IS A CRIME!**

**TYPES OF LOAN FRAUD**

1. Submission of inaccurate information, including false statements on loan application(s) and falsification of documents purporting credit, employment, deposit, and asset information, personal information including identity, ownership/non-ownership of real property, etc.
2. Forgery of partially or predominantly accurate information.
3. Incorrect statements regarding current occupancy of intent to maintain minimum continuing occupancy as stated in the security instrument.
4. Lack of due diligence by BROKER/loan officer/interview/processor, including failure to obtain all information required by the application and failure to request further information as dictated by Borrower's response to other questions.
5. Unquestioned acceptance of information or documentation, which is known, should be known, or should be suspected to be inaccurate.
  - A. Simultaneous or consecutive processing of multiple owner occupied loans from one applicant supplying different information on each application.
  - B. Allowing an applicant or interested third party to "assist" with the processing of the loan.
6. BROKER's non-disclosure of relevant material information.

**CONSEQUENCES**

The effects of "Loan Fraud" are costly to all parties involved. Primary Resource Network, Inc. stands behind the quality of its loan production. Fraudulent loans cannot be sold in the secondary market and, if sold, will require repurchase by Primary Resource Network, Inc. Fraudulent loans damage our reputation with our investors and mortgage providers. The price paid by those who participate in "Loan fraud" is even more costly. Primary Resource Network, Inc. will prosecute or cause to be prosecuted any fraudulent activity to the fullest extent allowed by law. The following is a list of a few potential consequences that may be incurred:

**CONSEQUENCES TO BROKER**

1. Criminal Prosecution.
2. Loss of Real Estate BROKER's license.
3. Loss of lender access due to exchange of information between lenders, mortgage insurance companies.
4. Submission of information to investors, police agencies, and the Department of Real Estate.
5. Civil action by Primary Resource Network, Inc and or applicant/borrower or other parties to the transaction.
6. Loss of approval status with Primary Resource Network, Inc
7. Reporting of the BROKERS information to relevant various databases of rogue BROKERS.
8. This list is non-exclusive.

**CONSEQUENCES TO BORROWER**

1. Acceleration of debt. Borrower shall also be in default if Borrower, during the loan application process, gave materially false or inaccurate information or statements to lender (or failed to provide lender with any material information) in connection with the loan evidenced by the Note, including but not limited to representations concerning Borrower's occupancy of the Property as a principal residence.
2. Note: Foreclosure under the borrower will not have the benefit of reinstatement in order to cure the default, the borrower must pay off the loan in full prior to the sale date of the property.
3. Criminal prosecution.
4. Civil action by Primary Resource Network, Inc. and or other parties to the transaction, such as seller or real estate agent/BROKER
5. Employment termination.
6. Loss of professional license, if any.
7. Adverse effect on credit history.
8. Report to all necessary authorities of inappropriate actions.
9. This list is non-exclusive.

**I have read the foregoing and understand Primary Resource Network Inc's  
strict position on "Loan Fraud"**

\_\_\_\_\_  
Signature of "BROKER of Record"

\_\_\_\_\_  
Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Principal Officer

\_\_\_\_\_  
Name

\_\_\_\_\_  
Date

**PRIMARY RESOURCE NETWORK, INC.**  
**BROKER AGREEMENT**

This Agreement is entered into as of \_\_\_\_\_, 200\_\_ by and between PRIMARY RESOURCE NETWORK, INC. ("PRN INC"), a Delaware Corporation, and

\_\_\_\_\_(BROKER).

**RECITALS**

1. PRN INC among other activities is engaged in the business of making loans ("Loans") secured by encumbrances upon residential real property to qualified customers.
2. BROKER is engaged in the business of arranging suitable loans for borrowers intending to secure such loans by encumbrances upon residential real property.
3. This Agreement sets forth the terms upon which BROKER will furnish applications for loans to PRN INC, the representations and warranties made upon furnishing applications, and the terms under which, if such loans are made, PRN INC will compensate BROKER.

**AGREEMENT**

NOW, THEREFORE, in consideration of the above recitals and the mutual covenants and promises herein contained, the parties do hereby agree as follows:

**1. Scope of Agreement**

1.1 **BROKER's Services** It is generally intended that during the term of this Agreement BROKER will periodically at its sole cost and expense, unless otherwise approved in writing by PRN INC, submit to PRN INC applications from proposed borrowers for loans secured by liens upon residential real property. All such loan applications shall be accompanied by all required or pertinent documentation as described below. BROKER acknowledges that PRN INC may sell closed loans to investors on the secondary market, and PRN INC **relies upon** BROKER to provide all **material and correct** information that would affect PRN INC's decision to either fund the loan or to sell the loan on the secondary market. BROKER acknowledges that it is not, and will not be the exclusive provider of Goods and Services to PRN INC, and PRN INC has made no representation as to any volume of loan applications, which it may accept or approve, from BROKER or from any other source. PRN INC acknowledges that BROKER has no obligation to provide loan applications to PRN INC.

1.2 **Compensation** BROKER's compensation for the Goods and Services provided in good faith, may be paid through a combination of cash, origination points, or financed through the interest rate as determined by BROKER and Borrower, and/or any other form agreed between BROKER and PRN INC in writing.

2. **Term** This Agreement is for no specific term and may be cancelled by either party upon five (5) days written notice to the other. Any such cancellation, however, shall not affect loan applications approved by PRN INC prior to the effective date of termination and subsequently closed with borrower, and shall not affect the obligation of the parties with respect to any event occurring before termination. In addition, PRN INC shall have the right to terminate this Agreement immediately by notice in writing to BROKER in the event of any of the following:

- (a) BROKER defaults in any of its obligations hereunder and such default is not cured within (15) business days after notice to BROKER of such default; or
- (b) BROKER shall initiate or suffer any proceedings of insolvency or reorganization under the Bankruptcy Code, or other federal or state receivership laws, or make any common law assignment for the benefit of creditors; or
- (c) BROKER assigns or attempts to assign its rights and obligations hereunder, unless prior approval by PRN INC is received; or
- (d) BROKER submits loan applications from prospective borrowers where there is evidence of misrepresentation, or submits documentation that does not appear to be genuine; or
- (e) BROKER submits a significant number of loans that are subsequently approved by PRN INC but the loan transaction is never consummated; or PRN INC denies a significant number of applications submitted by BROKER; or
- (f) BROKER submits a loan to PRN INC that subsequently goes into default.

**3. Representation and Warranties of BROKER**

- (a) BROKER is an entity, validly existing and in good standing under the laws of the State of \_\_\_\_\_, unless otherwise exempt is duly licensed to perform its obligations hereunder and will, during the term hereof, maintain such licenses. IF BROKER is not a corporation, BROKER is duly licensed to perform its obligation hereunder and will, during the term hereof, maintain such licenses. BROKER agrees to submit copies of said licenses to PRN INC.

- (b) That the person(s) signing this Agreement on its behalf is (are) authorized to do so and that by such signature(s) BROKER is bound by its terms.
- (c) Upon the execution of this Agreement, permission is hereby granted to PRN INC to verify any information from any and all sources. This shall include permission for PRN INC to obtain a business credit report or a personal credit report from a credit-reporting agency acceptable to PRN INC.
- (d) That during the term of this Agreement BROKER will renew all licenses required hereunder prior to their expiration and that it will fully comply with all applicable laws, ordinances and regulations.
- (e) That if during the term of this Agreement BROKER is named as a defendant in any litigation initiated by a third party with respect to any loan originated by BROKER, that it will promptly so notify PRN INC and furnish to PRN INC copies of any related documents served upon BROKER.
- (f) That upon executions of this Agreement BROKER will furnish its most recent financial statement to PRN INC; That the BROKER will report any major changes and future contingencies in affecting BROKER's financial condition that reasonably ascertainable at the time; That upon PRN INC's request BROKER will provide BROKER's most current and complete financial statement (such request to be made not more than once in any 12 month period).
- (g) All loan applications submitted by BROKER to PRN INC hereunder will have been fully investigated by BROKER and all material representations contained in such applications will have been ascertained, investigated and verified by BROKER in accordance with prudent underwriting practices; All documents submitted to PRN INC are genuine, and all representations with respect to the Mortgage are true and correct, and meet the requirements and specifications of this Agreement, and the prevailing FNMA/FHLMC or other applicable investor underwriting guidelines, and that BROKER has no adverse information concerning borrower which it has not communicated to PRN INC. Further, the BROKER has not counseled the borrower in any respect as to information to be included or omitted in the loan application.
- (h) BROKER shall obtain real estate appraisals and credit reports, at BROKER's expense, only from those appraisers and credit reporting agencies, which are acceptable to PRN INC. PRN INC agrees to furnish BROKER with a list of approved appraisers and credit reporting agencies; such list shall be updated from time to time. At PRN INC's option, PRN INC shall obtain appraisals, credit reports and other information as it may determine necessary. BROKER shall, at BROKER's expense, perform such other functions as PRN INC requires to facilitate the closing of the loan transaction.
- (i) BROKER demand for payment must be in writing and any changes to original demand submitted is the responsibility of the BROKER. Any fees, commissions, and other consideration to be paid to BROKER will be paid by PRN INC after deducting all fees and charged due PRN INC as specified in its price schedules. PRN INC reserves the right to charge cancellation fees on all approved loan applications submitted by BROKER.

4. **Loan Approval** It is understood and agreed that all loan applications submitted by BROKER under this Agreement shall be approved or denied by PRN INC at its sole discretion. All approvals and denials will be in written form established by PRN INC. In no event will PRN INC be deemed to have approved any loan application until receipt by BROKER of such written approval and upon the full satisfaction of any then present and contingent conditions at the time.

5. **Privity** The parties agree that PRN INC agreements hereunder are solely with and shall be construed solely to apply to BROKER. All discussions and representations by BROKER to prospective borrowers shall not be binding upon PRN INC. No authority is granted to BROKER under the terms of this agreement to make any representation to such borrowers other than to identify the applicable loan rates quoted by PRN INC in writing. BROKER is specifically prohibited from using PRN INC's name in any form of advertising. BROKER understands that nothing contained in the Agreement shall make BROKER an agent of PRN INC.

6. **Warranty** BROKER warrants that any loan it submits to PRN INC will contain written evidence of its compliance with all applicable federal, state and local statutes, ordinances, and regulations, including, but not limited to, the Real Estate Settlement Procedure Act and Regulations X, the Truth in Lending Act and Regulation Z, the Equal Credit Opportunity Act and Regulation B and The Fair Credit Reporting Act, and with regulations issued pursuant thereto.

7. **Loan Review** BROKER acknowledges that in the course of its business PRN INC routinely conducts quality control audits to verify or assure PRN INC of the accuracy of information submitted to it by BROKER and borrower. No such audits relieve BROKER of any duty or obligation hereunder nor shall such audits constitute a waiver of any claim by PRN INC that any representations of BROKER or hereunder in connection with any loan application were incorrect.

8. **No Suits** There are, to BROKER's knowledge, no actions, suits or proceedings pending or threatened against or affecting BROKER or the properties of BROKER before any court or governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, which, if determined adversely to BROKER, would have a material adverse effect on the financial condition, properties or operations of BROKER.

#### 9. **Confidentiality**

9.1 **Confidential Information** of BROKER and PRN INC shall mean and include information about hardware, software, screens, specifications, designs, plans, drawings, data, prototype, discoveries, research, developments, methods, processes, procedures, improvements, "know-how", compilations, business plans and strategies, market research, marketing techniques and plans, customer information including all relevant private matter relating to customers, price lists, pricing policies and financial information, and material, and or other business/technical information and material, in any implicitly or explicitly conveyable form, which is unpublished and maintained as confidential as defined by federal laws and state regulations, and as proprietary information by the

discloser for regulatory, customer relations, and/or competitive reasons. Confidential agreement does not include information that enters the public domain through means other than the disclosure by the BROKER while dealing with PRN INC.

**9.2 Safekeeping of confidential information.** All confidential information shall be held in utmost confidence and shall not be disclosed by the BROKER or its director, officers, agents, employees, affiliates, and representatives (collectively referred to as (“representative”) except as explicitly permitted. BROKER shall make available confidential information only on need to know basis. Further, BROKER before the disclosure of confidential agreement shall inform all relevant representatives of the nature of such information and direct its use for the specific purposes of this agreement. No information of confidential nature shall be disclosed to a third party without the express written permission of PRN INC. BROKER shall be vicariously and/or directly liable for the misappropriation and unnecessary disclosure of confidential information by its representatives. BROKER at the minimum shall maintain all Confidential Information and material at least as well as it would maintain its own confidential information.

**9.3 Surrender of Confidential Information.** All the confidential information of PRN INC shall remain the exclusive property of PRN INC. Upon the request by PRN INC, BROKER shall return all confidential information to PRN INC, and without request for termination of this agreement. This provision is subject to the exception of any information that the BROKER must maintain for its own records according to applicable law. BROKER shall not make any use of such confidential information not subject to the exceptions specified in this agreement. This clause shall be in full force and effect even after the expiration of this agreement.

**9.4 Legal Request for Documents by Third Parties.** In the event of any administrative, judicial or law enforcement proceeding or investigation instigated by any relevant third party in relation to any disclosure of confidential information as property of PRN INC, BROKER or its representatives agree that they will promptly notify PRN INC as to this matter so that PRN INC can take appropriate action under the guidance of law and available measures. This provision will not govern if the BROKER or its representatives shall stand liable (based on the opinion of an informed counsel) for contempt, or suffer other censure or penalty for failure to disclose information based on order from governmental tribunals. Disclosure to such tribunals based on their specific orders shall not carry any liabilities.

**9.5 Exceptions.** BROKER may disclose relevant Borrower information to other third parties as permitted by borrower **ONLY** before and up to the point when PRN INC has approved the loan and the Borrower has accepted the credit. Notwithstanding anything to the contrary contained in this agreement, neither party shall have any obligation as to Confidential Information that the other party can establish by competent proof that (i) Becomes generally known to similarly situated companies through no wrongful act of either party, (ii) Is lawfully obtained from a third party that has no obligation to maintain it as proprietary or confidential, and conveys this on similar basis parties in privity to this agreement, (iii) Was known to the receiving party without any obligation to keep it confidential as evidenced by *tangible* records kept by receiving party in the ordinary course of its business, (iv) Is independently developed by the other party prior to disclosure by the disclosing party, (v) is subject of a written agreement whereby the disclosing party consents to the use and disclosure of such Confidential Material.

**9.6 Injunctive Relief.** BROKER acknowledges that the breach of this section may result in continuing and irreparable damage to PRN INC for which there might be no adequate remedy at law. BROKER hereby, grants PRN INC the right to appear at any time in any court of law for the purpose of enjoining and/or restraining BROKER from using and disclosing relevant confidential information.

**10. Indemnification** BROKER shall indemnify, defend, and hold harmless PRN INC, its Affiliates, and their respective directors, officers, agents, and employees, successors, and/or assignees, from and against any and all damages, loss, liability, cost, actions, causes of action, claims, demands or expense both direct and indirect (including without limitation to reasonable legal and accounting fees and expenses actually incurred) by whomever asserted, including but not limited to the claims of (1) The Borrower arising directly or indirectly out of the transaction which is the subject matter of this agreement; (2) Any persons who prosecute or defend any actions or proceedings as representatives of or on behalf of any class or interest group, or any governmental instrumentality, body, agency, department or commission, or any administrative body or agency having jurisdiction to any applicable statute, rule, regulation, order, or decree; which may arise or be incurred as a result of any action or inaction by Broker, including, but not limited to, a breach of any covenant, condition, representation, or warranty arising under this agreement, except as such damages, loss, liability, cost action, cause of action, claim, demand or expense is caused solely by the negligence or willful misconduct of PRN INC. (3) BROKER agrees to indemnify PRN INC and hold it harmless from any loss, cost, expense or liability arising out of any requirement imposed upon PRN INC by a secondary market investor to reacquire any loan made hereunder and sold to such investor by PRN INC if the basis for such reacquisition is that (a) the subject loan, the loan application, and all documents submitted in connection with the subject loan are defective, or information contained therein is incorrect and (b) such defect also constitutes or results from a violation of any duty, representation or warranty made by BROKER under this Agreement.

For FHA and VA loans, in the event it is discovered by PRN INC through its own investigation or a HUD audit that fees have been charged in excess of those allowed by either the FHA or VA, BROKER shall refund such excess fees directly to a borrower or reduce the fees charged at closing. BROKER shall indemnify PRN INC for any related damages for any excess charges.

**11. Report of Broker Misrepresentations** BROKER understands and agrees that PRN INC may report information about any application or representation for any loan submitted by the BROKER that PRN INC believes contains misrepresentations and/or irregularities. Such reports may be made to any appropriate government authority, and or/any relevant applicable database, including but not limited to, databases operated by Mortgage Asset Research Institute, Inc., Such as the Mortgage Industry Data Exchange (“MIDEX”). BROKER agrees that it and its employees may be named as the originating entity or loan officer(s) on any such loan. BROKER hereby acknowledges the importance of PRN INC’s right to disclose such information. BROKER, for itself and its directors, officers, and employees and their respective successors/assignees hereby releases PRN INC its affiliates, directors, officers, agents, employees, successors and/or assignees and Mortgage Asset Research Institute Inc. or any other relevant database, from any and all damages, loss liability, cost, actions, cause of action, claims demand or expense both direct and indirect (including without limitation reasonable accounting fees and expense actually incurred) that may arise from the reporting or use by any database subscriber of any information submitted by PRN INC with respect to BROKER and its employees to any mortgage industry background database, including but not limited to MIDEX.

**12. Repurchase** BROKER agrees that should any loan submitted by BROKER and funded by PRN INC be deemed in violation of Section 2 (Term) Subparagraph (d), Section 3 (Reps and Warranties of BROKER), Section 7 (Loan Review) and Section 10 (Indemnification) of this Agreement, said loan shall be purchased by BROKER within thirty (30) days of written request by PRN INC. BROKER shall purchase loan at par, plus accrued interest and reimburse PRN INC for any commissions paid, plus any loss or expense including reasonable attorney's fees PRN INC shall incur.

**13. Premium Rebate** Where a loan on which PRN INC pays Broker a premium is prepaid by the Borrower, other than by a refinancing directly by PRN INC, on or before (120) days from the date on which the first payment under the Loan is due, Broker shall pon demand rebate to PRN INC the entire premium paid by PRN INC for the loan. Such payment must be forwarded to PRN INC within (15) days of the demand date.

14. **Right to offset** BROKER agrees that the balance of any amounts owed by the BROKER to PRN INC that are outstanding at the time, may be offset by PRN INC's sole discretion against any payment then or thereafter payable by PRN INC to the BROKER.

15. **Fees charged to Borrower** BROKER herby attests that any fees received by the BROKER or payable by the Borrower have been directly negotiated between Borrower and BROKER. BROKER has fully **disclosed, itemized, and explained** to the Borrower all fees to be received by the BROKER. All fees charged by the BROKER are **reasonably** related to the market value of the services rendered by the BROKER in connection with the loan.

16. **Relationship of the Parties** It is agreed that BROKER and PRN INC are not partners or joint ventures, but shall have the status of and act in all matters hereunder as **independent contractors**. BROKER is not an agent or partner of PRN INC and has no authority and is intended to have no power to create, extinguish or modify any right, obligation or liability of PRN INC to any person whatsoever. It is expressly understood that, notwithstanding the execution of this Agreement and the covenants and agreements contained herein, PRN INC may make loans with or without the assistance of BROKER and may use the services of other BROKERS, and BROKER may refer real estate loans to other lenders or may close loans on its own behalf.

17. **Final Agreement** This Agreement supersedes all prior contracts, understanding, discussions, agreements and arrangements by and between the parties hereto with respect to the subject matter hereof.

18. **Assignment** This Agreement may not be assigned by the BROKER to any other party without the express written consent of PRN INC. No assignment or other transfer thereof shall confer any rights to any other person.

19. **No Third Party Beneficiary** BROKER herby attests that here is no agreement nor will there be in the future, between the BROKER and any other person or entity for the payment of any referral fee, rebate, bonus, kickback or payment of any sort in connection with this loan other than what has been negotiated and agreed upon between PRN INC and the BROKER or th BROKER and the borrower.

20. **Notices** Any and all notices or other communications required or permitted by this Agreement or by law to be served on or given to either party hereto by the other party to this Agreement shall be in writing and shall be deemed duly served when personally delivered to the party to whom they are directed, or in lieu of such personal service when deposited in the United States mail, first class postage prepaid, addressed to PRN INC, 4019 West Rosecrans Ave, Hawthorne, CA 90250 or to BROKER at the address provided by BROKER on page 2 of this Application Package.

21. **Prevailing Party Attorney Fees** Should any litigation be commenced between the parties to this Agreement concerning the said Agreement, or the rights and duties of either in relation thereto, the party prevailing in such litigation shall be entitled, in addition to such other relief as may be granted, to a reasonable sum for its attorneys fees in such litigation or in a separate action brought for that purpose.

22. **California Law/Consent to Jurisdiction and Service** This agreement shall be governed and construed by the laws of the State of California. BROKER herby consents to the exclusive jurisdiction of the Los Angeles County Courts and/or the United States District Court of the Eastern District of California. Further, BROKER herby waives all right to demand a jury trial in Any and All actions and proceedings arising under any agreement or undertaking. BROKER irrevocably agrees to service of process by certified mail, return receipt requested, to the address set forth herein, or such address as may appear on PRN INC's records.

23. **Amendments** This Agreement contains the sole understanding of the parties and shall not be modified in any respect except by an amendment in writing signed by both parities.

**PRIMARY RESOURCE NETWORK Inc.**  
**a Delaware Corporation**

**BROKER**

BY \_\_\_\_\_

BY \_\_\_\_\_

Its \_\_\_\_\_

Its \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

**PRINCIPAL**

BY \_\_\_\_\_

Its \_\_\_\_\_

Print Name: \_\_\_\_\_

This agreement **must** be executed by the BROKER of Record **and**, if applicable, a Principal (if BROKER is not a Principal).

# PRIMARY RESOURCE NETWORK, INC.



## **POLICIES & PROCEDURES**

### **FAX SUBMISSION FOR LOAN APPROVAL**

Primary Resource Network, Inc. requires that all loans must be approved via fax prior to a full file submission. In order to obtain an approval via fax, please submit the following: *A) Approval Submission Form B) 1003 (typed preferred) C) 1008 (typed preferred) D) Tri-merge credit report E) Borrowers signed authorization form.* Any other conditions faxed will not be considered for the initial review. Primary Resource Network, Inc will base the approval on the income and ratios calculated by the BROKER as submitted on the 1003 and 1008. Upon receipt of the full file, all income calculations are verified and any changes may modify the approval and conditions requested. Typically, Primary Resource Network will fax you an approval within 2 hours of submission on all standard "A" credit loans. Less than perfect credit borrowers as well as loans requiring an exception approval may take a longer time period. Upon receipt of an approval, please complete all conditions and submit loan along with the approval form faxed to you. Primary Resource Network, Inc does not have a (full file) submission form. Please use the approval form in lieu of a submission form as it contains all the characteristics of the loan.

### **FULL FILE SUBMISSION OF LOANS**

Primary Resource Network, Inc will not complete a full file review unless originals have been submitted in the file. Specifically, an appraisal with original photos must be included when submitting a file. Generally, full file underwriting review is done within 24 hours (or less) of receipt.

### **STANDARD CONDITIONS AT PRIMARY RESOURCE NETWORK, INC**

Please be aware that Primary Resource Network, Inc does not have an approved appraiser list. All appraisals received will have appraisal review completed prior to funding. In addition, note that verification of rent (VOR) form is not acceptable. All rental ratings must be done on a credit supplement including name and phone number of landlord for a period of 24 months. All loans require a 24 months chain of title to be obtained by BROKER from the Title Company.

### **LOCKING LOANS AND ORDERING LOAN DOCUMENTS**

Primary Resource Network, Inc. will lock loans only after *full file review and underwriting approval.* Upon review and full file approval, the BROKER can request that the file be transferred to the funding department for locking and ordering loan documents. The funding department will prepare and fax the BROKER a completed lock/doc order form. This form requires the BROKER to complete the fee section and other applicable information and fax back within a timely manner. Standard timelines for preparation/release of loan documents are 24 hours but they may be completed same day if the loan is locked and documents are ordered by 2:00 PM.

### **COMMISSION DISBURSEMENTS**

Primary Resource Network Inc. is responsible for disbursement of commissions. BROKER checks are *not* released by the Escrow/Title Companies. All outstanding funding conditions and a final closing statement (final HUD1) required prior to release of BROKER checks. Commission checks are issued and mailed within 48 hours after receipt of Final HUD1. All commission checks for Brokers located outside of California are sent via overnight mail.

# Request for Taxpayer Identification Number and Certification

Give form to the  
requester. Do not  
send to the IRS.

Print or type  
See Specific Instructions on page 2.

Name	
Business name, if different from above	
Check appropriate box: <input type="checkbox"/> Individual/Sole proprietor <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Other ▶ ..... <input type="checkbox"/> Exempt from backup withholding	
Address (number, street, and apt. or suite no.)	Requester's name and address (optional)
City, state, and ZIP code	
List account number(s) here (optional)	

## Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. For individuals, this is your social security number (SSN). **However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 2.** For other entities, it is your employer identification number (EIN). If you do not have a number, see **How to get a TIN** on page 2.

Social security number								
OR								

Employer identification number								

**Note:** If the account is in more than one name, see the chart on page 2 for guidelines on whose number to enter.

## Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), **and**
- I am not subject to backup withholding because: **(a)** I am exempt from backup withholding, or **(b)** I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or **(c)** the IRS has notified me that I am no longer subject to backup withholding, **and**
- I am a U.S. person (including a U.S. resident alien).

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. (See the instructions on page 2.)

<b>Sign Here</b>	Signature of U.S. person ▶	Date ▶
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### Purpose of Form

A person who is required to file an information return with the IRS must get your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

**Use Form W-9 only if you are a U.S. person** (including a resident alien), to give your correct TIN to the person requesting it (the requester) and, when applicable, to:

- Certify the TIN you are giving is correct (or you are waiting for a number to be issued),
- Certify you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee.

**If you are a foreign person, use the appropriate Form W-8.** See Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Entities.

**Note:** If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

**What is backup withholding?** Persons making certain payments to you must under certain conditions withhold and pay to the IRS 30% of such payments **after** December 31, 2001 (29% **after** December 31, 2003). This is called "backup withholding." Payments that may be subject to backup withholding include interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will **not** be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

**Payments you receive will be subject to backup withholding if:**

- You do not furnish your TIN to the requester, or
- You do not certify your TIN when required (see the Part II instructions on page 2 for details), or
- The IRS tells the requester that you furnished an incorrect TIN, or
- The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or

5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the instructions on page 2 and the separate **Instructions for the Requester of Form W-9.**

### Penalties

**Failure to furnish TIN.** If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

**Civil penalty for false information with respect to withholding.** If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

**Criminal penalty for falsifying information.** Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

**Misuse of TINs.** If the requester discloses or uses TINs in violation of Federal law, the requester may be subject to civil and criminal penalties.