

CO-BROKER COMPENSATION AGREEMENT

This agreement is dated as of _____ between Broker and or Lender - Equity Development located in Los Angeles County and ("CO-BROKER") (Name) _____
City _____ NMLS ID: _____

This agreement arose because:

- A. BROKER and CO-BROKER are mortgage brokers / lenders that are and will remain licensed as such by the Department of Real Estate in their presiding city and state.
- B. CO-BROKER originates a wide variety of mortgage applications. It desires from time to time to submit mortgage applications from loan applicants to BROKER for its consideration.
- C. The purpose of this Agreement is to serve as a master agreement governing all Applications CO-BROKER submits to BROKER.

NOW, THEREFORE, the parties agree as follows:

Non-Exclusive Arrangement. CO-BROKER may submit and BROKER will consider Applications for mortgage loans. CO-BROKER shall have no obligation to submit Applications on an exclusive basis, but shall not submit any Application concurrently to more than one Mortgage Company. Likewise, BROKER shall be free to obtain Applications from other sources.

Contents of Applications. Applications shall consist at a minimum of a completed loan Application, credit report and property comparables. It shall be CO-BROKER'S duty to perform due diligence on all information submitted. BROKER shall be solely responsible for all costs of its origination effort and the charges it incurs for credit report, loan officer compensation, marketing and other costs. If there is a fee that is an expense caused by a certain loan file that fee shall be billed to that particular file.

Compliance with RESPA. CO-BROKER and BROKER shall each provide in their disclosures an estimated disclosure of fees anticipated by each broker. In addition, each submittal to BROKER shall constitute a representation and warranty that CO-BROKER has performed sufficient services to qualify for compensation under the safe harbor provisions of the Real Estate Settlement Act and Regulation X contained in the Statement of Policy 1999-1 Regarding Lender Payments to Mortgage Brokers, Federal Register Docket No. FR-4450-N-01 and Statement of Policy 2001-1 Clarification of Policy 1999-1 Regarding Lender Payments to Mortgage Brokers, Federal Register Docket No. FR 7414-N-01, including taking the application and providing at least five out of the other thirteen qualifying service categories:

- A. Initiating/ordering VOE's (verification of Employment) and VOD's (verification of deposits).
- B. Initiating/ordering requests for mortgage and other loan verifications.
- C. Initiating/ordering appraisals.
- D. Initiating/ordering inspections or engineering reports.
- E. Providing disclosures (truth-in-lending, good faith estimate, others) to the Borrower.
- F. Ordering legal documents.
- G. Determining whether the property was located in a flood zone or ordering such service.
- H. Analyzing the Applicant's income and debt and pre-qualifying the Applicant to determine the maximum mortgage that the prospective Borrower can afford.
- I. Educating the Applicant in the home-buying and financing process, advising the Applicant about the different types of loan products available, and demonstrating how closing costs and monthly payments would vary under each product.
- J. Collecting financial information (tax returns, bank statements) and other related documents that are part of the application process.
- K. Assisting the Applicant in underwriting and clearing credit problems.
- L. Maintaining regular contact with the Applicant and Lender between application and closing to apprise them of the status of the application and to gather any additional information as needed.
- M. Participating in the loan closing.

Initial required 1 Total of two pages including this one. Initial: ____

Compensation. Contingent upon closing of a loan on the submitted Application and the disbursement to BROKER of its compensation in the transaction, BROKER shall pay CO-BROKER for its services. This is based upon the compensation check BROKER (Equity Development) has collected. CO-BROKER shall receive the balance of monies after BROKER's points and fees have been subtracted from Broker Compensation check. The payment shall be paid directly from the loan escrow when feasible or if not, upon receipt of notification of cleared funds by BROKER following receipt of such compensation. BROKER shall have the absolute discretion as to the compensation to be charged on all loans it submits to investors. If BROKER, in its absolute discretion, allows a borrower to rescind a loan after it is funded, the parties shall return their compensation to the extent necessary to accomplish the rescission. If a loan is referred to Co-Broker it is up to the Co-Broker to pay any other brokers and or 3rd parties.

Indemnification.

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

Compliance with Laws. Both parties shall in all of their activities under this Agreement comply with the laws of the State of California and the United States. All activities shall be conducted in strict accordance with the California Real Estate Law applicable to real estate brokers. If either party's real estate broker's license ceases to be in good standing, that party shall immediately notify the other in writing.

Status of Parties. The parties are independent contractors not the partners, joint venturers or agents of the other. Neither party has any power to bind or to represent the other. CO-BROKER is not the agent of any Applicant.

Miscellaneous. This Agreement constitutes an integrated agreement between the parties and supercedes all previous agreements and negotiations. It shall be construed as if drafted by both parties. This Agreement may only be modified or waived by an agreement in writing. This Agreement may be executed in one or more counterpart or signature pages, each of which shall be deemed an original and together which shall comprise one instrument. A facsimile of this Agreement bearing the signature of a party shall have the same legal effect as an original.

The parties executed this Agreement to be effective on the date first set forth shown.

CO-BROKER:

Company: _____

BROKER: Equity Development _____

By: _____

By: _____

Its: Broker of Record, _____

Its: Broker of Record, _____

Phone: _____ Dated _____

Dated _____

Email: _____

Note: Sign W9

Sign Non-circumvent

Where do you want Co-Brokers Checks sent: _____

Initial required 2 Total of two pages including this one. Initial: ____