

# OAKTREE FUNDING CORP.

## APPLICATION FOR BROKER APPROVAL

To establish your Broker Approval, please complete and return this form along with all Required Documentation.

### REQUIRED DOCUMENTATION- All items are required

- Completed and Signed Broker Application
- Copy of all Broker Licenses
- Copy of Licenses/Resumes for Broker of Record
- Signed W-9 Form
- Signed Broker Agreement
- Completed Reference form
- Signed Authorization to Release Form
- Current Financial Statement
- Corporate Resolution (if a corporation)
- Copy of Articles of Incorporation
- Hud Approval Letter (if applicable)
- Signed Compensation Agreement

Account Executive Name: \_\_\_\_\_

### COMPANY INFORMATION      NMLS# \_\_\_\_\_

Company Name (Legal Name): \_\_\_\_\_

Address: \_\_\_\_\_ City: \_\_\_\_\_

State: \_\_\_\_\_ Zip: \_\_\_\_\_ Phone: (    ) \_\_\_\_\_ Fax: \_\_\_\_\_

Company Type:    Corporation    Partnership    Sole Proprietorship Company in

Business Since: \_\_\_\_\_ Federal Tax ID# \_\_\_\_\_

Number of Agents: \_\_\_\_\_      FHA Approved:  Yes  No

Number of First Mortgages past 12 mo.: \_\_\_\_\_ Average Loan Amount: \_\_\_\_\_

Number of 2nd Mortgages past 12 mo.: \_\_\_\_\_ Average Loan Amount: \_\_\_\_\_

Broker Name: \_\_\_\_\_ License #: \_\_\_\_\_

E-Mail Address \_\_\_\_\_ License Exp. Date: \_\_\_\_\_

Web-Page Address \_\_\_\_\_

I certify that the above information is true and correct under the penalty of perjury.

X \_\_\_\_\_ Date: \_\_\_\_\_

## REFERENCES

Company: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Contact: \_\_\_\_\_

Company: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Contact: \_\_\_\_\_

Company: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Contact: \_\_\_\_\_

Company: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Contact: \_\_\_\_\_

Company: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Contact: \_\_\_\_\_

# *Oaktree Funding Corporation*

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## AUTHORIZATION TO OBTAIN INFORMATION

With respect to our application to Oaktree Funding Corporation (OFC) for approval loans a an approved mortgage broker, OFC is hereby authorized to obtain verification of all information submitted by us to OFC and to contact all references provided. OFC is authorized to obtain information concerning our status with the Department of Real Estate and The Corporation Commission and to obtain credit reports on the company, any officers/partners and the Broker of record.

Company Name: \_\_\_\_\_  
(type or print)

By: \_\_\_\_\_  
(authorized signature)

Address: \_\_\_\_\_  
\_\_\_\_\_

Company Tax ID#: \_\_\_\_\_

Broker of Record: \_\_\_\_\_

By: \_\_\_\_\_  
(authorized signature)

Broker's Home Address: \_\_\_\_\_  
\_\_\_\_\_

Brokers Social Security: \_\_\_\_\_  
(Required)

# Certified Copy of Resolution Of

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RESOLVED, that \_\_\_\_\_ (the "Broker"), hereby approves, ratifies, confirms and adopts the terms and conditions of the Wholesale Broker Agreement (the "Agreement") by and between Oaktree Funding Corporation (the "Lender") and this Broker and any of the following officers are hereby authorized and empowered in the name of and on behalf of this Corporation and under its Corporate Seal, to execute any and all agreements, contracts, assignments, and endorsements, and issuance of checks or drafts, reports, mortgage documents and other papers in connection with documents and information required or deemed necessary by Lender.

FURTHER RESOLVED that this Broker authorizes, ratifies, and confirms the performance of the obligations, covenants and agreements of this Broker as set forth in or contemplated by the Agreement.

FURTHER RESOLVED, that the President or any Vice-President, together with the Secretary or any Assistant Secretary, of the Broker be, and each of them hereby is, authorized to execute and deliver on its behalf the Agreement.

FURTHER RESOLVED, that the proper officers of the Broker be, and each of them hereby is, authorized, jointly and severally, to take any and all steps, do any and all things and execute and deliver any and all documents in the name and on behalf of the Broker as maybe necessary or appropriate to carry out the purposes of the foregoing resolutions and perform the obligations of the Broker under the Agreement.

FURTHER RESOLVED, that the Secretary be and hereby is authorized, empowered and directed to certify, under the seal of the Corporation, or otherwise, to Lender

- A. A true copy of these resolutions;
- B. A certificate that the Corporation is duly organized and existing, that its charter empowers it to transact business by the resolutions defined, and that no limitation has been imposed upon such powers by the by-laws or otherwise.

FURTHER RESOLVED, that Lender may rely upon any certification given in accordance with these resolutions, as continuing fully effective unless and until Lender shall receive due written notice of a change in or the rescission of the Authority so evidenced and dispatched.

I, \_\_\_\_\_, hereby declare the  
Foregoing is a true and accurate copy of a resolution adopted by the Board of Directors of  
\_\_\_\_\_ at its meeting regularly held  
on the \_\_\_\_\_ of \_\_\_\_\_, 20\_\_\_\_

Executed this \_\_\_\_\_ Day of \_\_\_\_\_, 20\_\_

\_\_\_\_\_  
(Secretary of Officer)

## Request for Taxpayer Identification Number and Certification

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

<b>Print or type See Specific Instructions on page 2</b>	Name (as shown on your income tax return)	
	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. The TIN provided must match the name given on Line 1 to avoid backup withholding. 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 3. 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 3.

Social security number										
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**Note.** If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

### Part II Certification

Under penalties of perjury, I certify that:

1. 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
2. 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
3. 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 4.)

<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 obtain 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.

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

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

**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.

For federal tax purposes you are considered a person if you are:

- An individual who is a citizen or resident of the United States,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States, or

- Any estate (other than a foreign estate) or trust. See Regulations sections 301.7701-6(a) and 7(a) for additional information.

**Foreign person.** If you are a foreign person, do not use Form W-9. Instead, use the appropriate Form W-8 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

**Nonresident alien who becomes a resident alien.**

Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the recipient has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.

4. The type and amount of income that qualifies for the exemption from tax.

5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

**Example.** Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity not subject to backup withholding, give the requester the appropriate completed Form W-8.

**What is backup withholding?** Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% of such payments (after December 31, 2002). 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:**

1. You do not furnish your TIN to the requester, or
2. You do not certify your TIN when required (see the Part II instructions on page 4 for details), or
3. The IRS tells the requester that you furnished an incorrect TIN, or
4. 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 below 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.

## Specific Instructions

### Name

If you are an individual, you must generally enter the name shown on your social security card. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

**Sole proprietor.** Enter your individual name as shown on your social security card on the "Name" line. You may enter your business, trade, or "doing business as (DBA)" name on the "Business name" line.

**Limited liability company (LLC).** If you are a single-member LLC (including a foreign LLC with a domestic owner) that is disregarded as an entity separate from its owner under Treasury regulations section 301.7701-3, enter the owner's name on the "Name" line. Enter the LLC's name on the "Business name" line. Check the appropriate box for your filing status (sole proprietor, corporation, etc.), then check the box for "Other" and enter "LLC" in the space provided.

**Other entities.** Enter your business name as shown on required Federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name" line.

**Note.** You are requested to check the appropriate box for your status (individual/sole proprietor, corporation, etc.).

### Exempt From Backup Withholding

If you are exempt, enter your name as described above and check the appropriate box for your status, then check the "Exempt from backup withholding" box in the line following the business name, sign and date the form.

Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends.

**Note.** If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

**Exempt payees.** Backup withholding is not required on any payments made to the following payees:

1. An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2),
2. The United States or any of its agencies or instrumentalities,
3. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities,
4. A foreign government or any of its political subdivisions, agencies, or instrumentalities, or
5. An international organization or any of its agencies or instrumentalities.

Other payees that may be exempt from backup withholding include:

6. A corporation,

- 7. A foreign central bank of issue,
- 8. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States,
- 9. A futures commission merchant registered with the Commodity Futures Trading Commission,
- 10. A real estate investment trust,
- 11. An entity registered at all times during the tax year under the Investment Company Act of 1940,
- 12. A common trust fund operated by a bank under section 584(a),
- 13. A financial institution,
- 14. A middleman known in the investment community as a nominee or custodian, or
- 15. A trust exempt from tax under section 664 or described in section 4947.

The chart below shows types of payments that may be exempt from backup withholding. The chart applies to the exempt recipients listed above, 1 through 15.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt recipients except for 9
Broker transactions	Exempt recipients 1 through 13. Also, a person registered under the Investment Advisers Act of 1940 who regularly acts as a broker
Barter exchange transactions and patronage dividends	Exempt recipients 1 through 5
Payments over \$600 required to be reported and direct sales over \$5,000 <sup>1</sup>	Generally, exempt recipients 1 through 7 <sup>2</sup>

<sup>1</sup>See Form 1099-MISC, Miscellaneous Income, and its instructions.

<sup>2</sup> However, the following payments made to a corporation (including gross proceeds paid to an attorney under section 6045(f), even if the attorney is a corporation) and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees; and payments for services paid by a Federal executive agency.

## Part I. Taxpayer Identification Number (TIN)

**Enter your TIN in the appropriate box.** If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-owner LLC that is disregarded as an entity separate from its owner (see *Limited liability company (LLC)* on page 2), enter your SSN (or EIN, if you have one). If the LLC is a corporation, partnership, etc., enter the entity's EIN.

**Note.** See the chart on page 4 for further clarification of name and TIN combinations.

**How to get a TIN.** If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at [www.socialsecurity.gov/online/ss-5.pdf](http://www.socialsecurity.gov/online/ss-5.pdf). You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at [www.irs.gov/businesses/](http://www.irs.gov/businesses/) and clicking on Employer ID Numbers under Related Topics. You can get Forms W-7 and SS-4 from the IRS by visiting [www.irs.gov](http://www.irs.gov) or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

**Note.** Writing "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

**Caution:** A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.

## Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 4, and 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). Exempt recipients, see *Exempt From Backup Withholding* on page 2.

**Signature requirements.** Complete the certification as indicated in 1 through 5 below.

**1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983.** You must give your correct TIN, but you do not have to sign the certification.

**2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983.** You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

**3. Real estate transactions.** You must sign the certification. You may cross out item 2 of the certification.

**4. Other payments.** You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

**5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions.** You must give your correct TIN, but you do not have to sign the certification.

## What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account <sup>1</sup>
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor <sup>2</sup>
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee <sup>1</sup>
b. So-called trust account that is not a legal or valid trust under state law	The actual owner <sup>1</sup>
5. Sole proprietorship or single-owner LLC	The owner <sup>3</sup>
For this type of account:	Give name and EIN of:
6. Sole proprietorship or single-owner LLC	The owner <sup>3</sup>
7. A valid trust, estate, or pension trust	Legal entity <sup>4</sup>
8. Corporate or LLC electing corporate status on Form 8832	The corporation
9. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
10. Partnership or multi-member LLC	The partnership
11. A broker or registered nominee	The broker or nominee
12. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity

<sup>1</sup> List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

<sup>2</sup> Circle the minor's name and furnish the minor's SSN.

<sup>3</sup> You must show your individual name and you may also enter your business or "DBA" name on the second name line. You may use either your SSN or EIN (if you have one). If you are a sole proprietor, IRS encourages you to use your SSN.

<sup>4</sup> List first and circle the name of the legal trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.)

**Note.** If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

## Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons who must file information returns with the IRS to report interest, dividends, and certain other income paid to you, mortgage interest you paid, the acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA, or Archer MSA or HSA. The IRS uses the numbers for identification purposes and to help verify the accuracy of your tax return. The IRS may also provide this information to the Department of Justice for civil and criminal litigation, and to cities, states, and the District of Columbia to carry out their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You must provide your TIN whether or not you are required to file a tax return. Payers must generally withhold 28% of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to a payer. Certain penalties may also apply.



**Broker Agreement Addendum**  
**Compensation Agreement**

**EFFECTIVE DATE:** \_\_\_\_\_ **20** \_\_\_\_\_

Company Name: \_\_\_\_\_ (Broker)

Company NMLS #: \_\_\_\_\_

Company Address: \_\_\_\_\_

City, State, Zip Code: \_\_\_\_\_

Telephone Number: \_\_\_\_\_ Fax Number \_\_\_\_\_

Please provide a list of all branch offices approved by Oaktree Funding Corporation and their current address, city, state, zip and telephone numbers to allow us to validate and update the accuracy of our records

This addendum is incorporated into and constitutes a part of the mortgage broker agreement contract between Broker and Oaktree Funding Corporation, hereinafter referred to as "OFC":

**Lender Paid Compensation**

Broker acknowledges and agrees that all loans with lender paid compensation will be based on the following:

\_\_\_\_\_ %  
Per loan as calculated on the total loan amount .

Optional: \*minimum amount of \$ \_\_\_\_\_ \*\*and a maximum (cap) of \$ \_\_\_\_\_

\* We do not recommend setting any amount since this could affect the approval of your loan.

\*\*By selecting a maximum amount you have the opportunity to pay part of the closing costs with the amount over the maximum stated. Example: – Loan Amount \$600,000.00 with 2% Lender Paid Compensation would be \$12,000.00. By placing a maximum cap of \$9,000.00 to Broker the additional \$3,000.00 can be applied to the closing cost. In this example, the Broker is not allowed to receive any of the unused credit.

All compensation paid will be subject to federal, state agency(ies) and any regulatory predatory lending calculations and restrictions. Minimum and maximum amounts must be whole dollars only.

Broker Initials \_\_\_\_\_



**Modification**

Broker understands and agrees that this agreement may be modified on a quarterly basis. This shall be on a calendar basis with a start date of April 1, 2011. To be eligible for modification the Broker must close more than 3 loans in the prior quarter. Should the Broker close less than 3 loans in the prior quarter any request will be automatically declined per the current Federal Loan Officer Compensation Rule.

**Anti-Steering & Safe Harbor Compliance**

Broker hereby represents, warrants and covenants that, with regard to each loan and loan file that Broker submits to OFC: (i) Broker, and Broker's officers, employees and agents (together, "Representatives) at all times have complied, and will continue to comply, with any and all Law (defined below), (ii) Broker and its Representatives have not, and will not, steer any borrower into consummating a transaction that is not in the borrower's best interest, or that results in the Broker or any other person receiving greater compensation other than expressly permitted under 12 C.F.R. §226.36, (iii) Broker has presented, and will present, to each borrower a written Loan Options disclosure fully satisfying the "Safe Harbor" requirements provided for in 12 C.F.R. §§ 226.36(e)(2) and 226.36(e)(3).

As used herein, the term "Law" means any and all applicable Federal, state and local laws, statutes, regulations, rules, orders, ordinances and requirements, each as amended from time to time, including (without limitation) the provisions governing compensation to loan originators under the Truth In Lending Act (15 U.S.C. §§ 1601 et. seq.) and Regulation Z (12 C.F.R. §§ 226.1 et.seq.), and the "Anti-Steering" and "Safe Harbor" provisions specifically provided for as 12 C.F.R. § 226.36(e).

Broker hereby acknowledges and represents that Broker has read the foregoing, understands it, is signing this document voluntarily, and understands that, in continuing to do business with Broker, and for each loan file the Broker submits, OFC is relying on the representations, warranties and covenants provided for herein. No oral representations, statements or inducements apart from the foregoing written agreement have been made. The signatory below has been duly authorized to execute this Addendum for Broker as per the appropriate resolution, licensing or current broker agreement on file with OFC.

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*Broker of Record / Authorized Signer*

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*Date*



**BROKER COMPENSATION QUESTIONNAIRE &  
ACKNOWLEDGEMENT**

Broker hereby acknowledges that Broker must comply with the loan originator compensation rules under 12 C.F.R. §226.36 (“Compensation Rules”) for all loan files received by Oaktree Funding Corporation. Broker hereby acknowledges that the Compensation Rules apply to every LOAN THAT IS LOCKED AFTER MARCH 31, 2011.

By initialing below, Broker represents warrants and covenants, with respect to every loan file submitted to OFC, as of the date of submission, and at all times thereafter, as provided below:

	<b>Broker Initials</b>
Any and all of Broker’s compensation plans for its loan officers are fully compliant with the requirements of the Compensation Rules.	
None of Broker’s compensation agreements are based on any term or condition of any particular loan or transaction other than the loan amount, or any “proxy” for any term or condition of any loan or transaction, as such terms are used in the Compensation Rules, including by way of example but not limitation, LTV, existence or lack of a prepayment penalty, program type (FHA, VA, conventional), interest rate or APR, consumer’s credit score, purchase vs. refinance, 1 <sup>st</sup> vs. 2 <sup>nd</sup> lien and similar items.	
For every loan where any compensation is paid directly by the consumer, as such phrase is used in the Compensation Rules, compensation to Broker’s loan officers is bases solely on a salary or hourly structure and no loan officer will be paid any commission in connection with that loan.	
For every loan where compensation is NOT paid directly by the consumer, as such phrase is used in the Compensation Rules; OFC will pay solely on a fixed percentage of the loan amount, subject to any fixed minimum or maximum dollar limits established by OFC in advance.	
For every loan where compensation is NOT paid directly by the consumer, as such phrase issued in the Compensation Rules, neither Broker nor any of its loan officers will receive compensation from any other person or entity in connection with that loan.	
Broker will include with every loan file submitted to OFC, factual documentation of compliance with the safe harbor and anti-steering provisions of the Compensation Rules, including copies of an executed Loan Options Disclosure.	
Records of compensation policies and of the loan-level compensation paid to loan originators will be retained for a minimum of five (5) years or such longer period as may be required by law. At any time upon reasonable request, Broker will provide OFC the ability to access and copy all such records for the purposes of determining compliance, or in the event of any claim, audit or examination.	

**OAKTREE FUNDING CORPORATION**

**WHOLESALE BROKER AGREEMENT**

THIS WHOLESALE BROKER AGREEMENT (the "Agreement"), made and entered this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by and between \_\_\_\_\_, ("Broker"), a \_\_\_\_\_ (state in which entity was formed and type of formation; e.g. corporation, partnership, sole proprietor, etc.) with its principal place of business at \_\_\_\_\_

\_\_\_\_\_ (hereinafter referred to as a BROKER); and OAKTREE FUNDING CORPORATION, a California corporation with its principal office located at 223 North First Avenue, Upland, CA 91786 (hereinafter referred to as "OAKTREE FUNDING").

**RECITALS**

A. **Whereas**, OAKTREE FUNDING is engaged in the business of wholesale residential mortgage banking in California under the authority of a Real Estate Broker License and a Mortgage Loan Originator ("MLO") endorsement, issued by the California Department of Real Estate ("DRE"), DRE License Number 01079521, NMLS Number 71640.

B. **Whereas, Broker** is a residential mortgage loan broker licensed by the DRE with MLO endorsement, License Number \_\_\_\_\_, NMLS Number \_\_\_\_\_; and

C. **Whereas**, OAKTREE FUNDING desires to engage **Broker** as an independent contractor and **Broker** desires to accept such engagement to act as an independent residential mortgage loan broker in California. Said engagement is subject to the terms and conditions set forth below and subject to both parties' right to terminate such engagement at will, with or without cause; and

E. **Whereas**, nothing contained herein shall obligate OAKTREE FUNDING to fund any loan request by **Broker** that, in OAKTREE FUNDING's sole and absolute discretion, does not meet OAKTREE FUNDING's wholesale lending guidelines and requirements in effect at the time the loan application was submitted.

**AGREEMENT**

**Now, therefore**, in consideration of the foregoing premises and of the mutual covenants herein set forth, OAKTREE FUNDING and **Broker** (sometimes collectively "the Parties," and each individually "Party") agree as follows:

1. Broker Responsibility.

1.1 General Broker Responsibility. Broker will at Broker's sole expense (a) submit to OAKTREE FUNDING completed consumer purpose, residential mortgage loan (referred to herein as "Mortgage Loan" or "Loan") packages for Borrowers under such programs, procedures, and fee schedules as OAKTREE FUNDING periodically may establish, (b) furnish OAKTREE FUNDING all Borrower credit, financial, and other information as OAKTREE

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FUNDING may require, (c) provide such information as OAKTREE FUNDING may reasonably request to assist OAKTREE FUNDING in marketing the Loans to secondary market investors, (d) perform such other services as OAKTREE FUNDING shall require to close the Loan(s), (e) provide a written explanation incidental to the origination and processing of Mortgage Loans which may be submitted to OAKTREE FUNDING and shall comply with all reasonable requirements and instructions of OAKTREE FUNDING.. The contents of all Loan packages submitted to OAKTREE FUNDING shall immediately become the property of the OAKTREE FUNDING, and all information contained therein may be subject to OAKTREE FUNDING's independent verification.

1.2 Oversight and Supervision of Personnel. Broker shall properly supervise any agents or employees of Broker who directly or indirectly handle any phase of origination or processing of the Mortgage Loans. Broker shall immediately notify OAKTREE FUNDING in writing of any change in personnel from those submitted on the initial Broker Application Package. Broker shall also notify OAKTREE FUNDING in writing of any changes in its ownership structure or its address for notice within five (5) business days of such change. of why any Borrower approved by OAKTREE FUNDING fails to close a Loan, and (f) Broker shall diligently perform all duties.

1.3 Broker Only Fiduciary Duties. Broker acknowledges that when acting as a California mortgage broker in a residential mortgage loan transaction, Broker owes fiduciary duties of care and loyalty to the borrower from inception of the broker engagement, including adherence to federal Regulation Z anti-steering rules (and safe harbor disclosure). For this reason, OAKTREE FUNDING cannot accept a wholesale loan package from Broker that does not include a copy of a fully executed Loan Broker Agreement that outlines a California mortgage broker's fiduciary duties and the broker services to be performed for compensation, along with a safe harbor disclosure that meets the Regulation Z anti-steering rule requirements.

2. FHA Loan Broker. If Broker is authorized by OAKTREE FUNDING to serve as a "sponsored originator" of FHA Mortgage Loans under one or more of OAKTREE FUNDING's FHA loan programs in accordance with OAKTREE FUNDING's participation as an approved FHA Mortgagee pursuant to the Department of Housing and Urban Development rules, guidelines and policy statements, Broker shall not hold itself out to any third party as OAKTREE FUNDING's authorized agent and shall not advertise, publicize or discuss in any manner whatsoever that Broker is acting as OAKTREE FUNDING's authorized agent with respect to the origination of any FHA Mortgage Loan without OAKTREE FUNDING's express prior written consent.

3. Loan Approval. Loan approval shall be within OAKTREE FUNDING's sole discretion. Broker shall not represent that OAKTREE FUNDING has approved or will approve any Loan until Broker is so informed by OAKTREE FUNDING in writing. All loans shall close in OAKTREE FUNDING's name unless otherwise agreed to by OAKTREE FUNDING. Where OAKTREE FUNDING agrees to allow Broker to close in its name, Broker agrees to execute any OAKTREE FUNDING's interest in the Mortgage Loan. Broker agrees all loan packages submitted to OAKTREE FUNDING shall become the sole property of OAKTREE FUNDING

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upon a written disposition of the loan file. If OAKTREE FUNDING denies a loan application submitted to it for underwriting, and Broker does not obtain loan approval for the applicant from any other lending source, Broker agrees to issue to the applicant a denial notice that meets all requirements of the Equal Credit Opportunity Act and its Regulation B. Such notice shall list all denying creditors including OAKTREE FUNDING. Broker understands that after funding, OAKTREE FUNDING may sell the Loans to third party investors, and that notwithstanding any such subsequent sale, Broker will remain liable to those third party investors for the Loans.

The Note and Security Instrument executed in connection with a Mortgage Loan shall not be modified without OAKTREE FUNDING's prior written permission. All documents affecting said Mortgage Loan shall be genuine and each shall be legal, valid and binding upon borrowers.

4. Broker (Loan Originator) Compensation. For all final rate locks on wholesale loans on and after April 1, 2011, Broker's compensation as a "Loan Originator" (as defined in 12 CFR 226.36(a)) on closed residential mortgage loans, as well as the compensation of Broker's employee Loan Originators, shall conform with federal Regulation Z (Truth In Lending Act) Loan Originator Compensation Rules. That Rule prohibits (a) Loan Originator compensation based on loan terms and conditions, (b) compensation paid to Loan Originators coming from both borrower (including in the form of seller credits) and creditor, and (c) compensation paid to Loan Originators coming from affiliates.

4.1 Broker Paid Exclusively by OAKTREE FUNDING. In connection with every closed residential mortgage loan transaction where OAKTREE FUNDING is providing Broker's compensation, Broker shall be paid a pre-determined fixed rate of compensation, expressed as a percentage of the principal amount funded. Until modified by OAKTREE FUNDING, this pre-determined fixed rate of compensation shall be applied to every residential mortgage loan transaction originated by Broker, regardless of loan type, terms or conditions, or investor. The final rate lock date on the loan shall dictate the compensation Broker will earn for that loan, not the compensation level in effect on the date the loan closes. Broker acknowledges and agrees that their predetermined fixed rate of compensation in connection with each creditor-paid residential mortgage loan transaction may not be increased or decreased, in connection with any particular loan transaction. Broker's initial fixed rate of compensation is set forth at Exhibit A hereto. Exhibit A may be amended by OAKTREE FUNDING from time to time, in its sole discretion. Compensation payable in accordance with this Agreement shall be paid to Broker through escrow at the time of loan closing.

4.2 Broker is aware that OAKTREE FUNDING's pricing, as published daily to Broker, is subject to change without notice and no Mortgage Loan is price-protected until such time as OAKTREE FUNDING has issued a written Loan Lock Confirmation.

4.3 Broker shall not be entitled to compensation from OAKTREE FUNDING if a Mortgage Loan does not fund, regardless of the reason.

4.4 Should OAKTREE FUNDING identify prior to loan approval that Broker's negotiated fee(s) exceed applicable law, or Broker generated consumer credit disclosures are

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non-compliant with federal or California laws, the loan application shall be withdrawn and a new credit application package may be submitted to OAKTREE FUNDING for consideration.

5. Broker's Warranties. Broker represents and warrants to OAKTREE FUNDING as of (i) the time any Mortgage Loan package is submitted to OAKTREE FUNDING , and (ii) as of the time the Mortgage Loan is funded and closed, that:

5.1 No Untrue Statements. None of the statements or information contained in any Mortgage Loan package will contain any false or erroneous statements, or omit material facts necessary to make such statements or information accurate and understandable. BROKER UNDERSTANDS THAT BY MAKING THE WARRANTY CONTAINED IN THIS SUBPARAGRAPH, IT IS WARRANTING THE ACCURACY, VERACITY AND COMPLETENESS OF ALL INFORMATION CONTAINED IN ANY MORTGAGE LOAN PACKAGE SUBMITTED TO OAKTREE FUNDING, WHETHER OR NOT BROKER HAS KNOWLEDGE OF, OR REASON TO SUSPECT, ANY INACCURACY.

5.2 Absence of Claims. Except previously disclosed by Broker to OAKTREE FUNDING in writing, there is not pending or, to the best of the Broker's knowledge, threatened any suit, action, arbitration, or legal, administrative, or other proceeding or governmental investigation (including an allegation of fraud by another lender) against Broker or its current or former owners, agents, or employees which could have a materially adverse effect on the Broker's business, assets, financial condition, or reputation.

5.3 Control of Documents. No borrower shall have had in his or her direct or indirect possession or control any credit, income, or deposit verification document submitted to OAKTREE FUNDING with respect to any Mortgage Loan.

5.4 Duly Licensed, Trained and Supervised. Broker possesses all necessary licenses, permits, and authority to engage in the activities contemplated by this Agreement. Broker shall immediately notify OAKTREE FUNDING of any claims, administrative proceedings, or actions by a government or private entity which could effect Broker's status as a licensed entity or person. All Loan applications submitted to OAKTREE FUNDING have been originated and prepared by trained and DRE licensed (with MLO endorsement) employee Loan Originators of Broker, competent in all aspects of mortgage lending activities. Broker adequately supervises its employees, agents or independent contractors (if permitted under state licensing laws and agency loan programs) involved in Broker's loan activities and Broker takes all necessary steps to ensure that goods or services provided by its personnel are in compliance with all applicable laws and the terms and conditions of this Agreement. As between Broker and OAKTREE FUNDING, Broker assumes full responsibility for all actions performed by Broker's employees, agents and independent contractors.

5.5 Ownership. Except as otherwise disclosed to OAKTREE FUNDING in writing at time of submission of any Mortgage Loan, Broker shall have no direct or indirect ownership interest in any property acting as security for the Loan.

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5.6 Compliance with Laws. In connection with Broker's activities in general and with the preparation of Mortgage Loan packages for borrowers, Broker will comply with all applicable laws, rules, and regulations, and amendments thereto, including without limitation state laws governing residential mortgage loan brokering and origination, state licensing laws for residential mortgage brokers, state fair lending laws and regulations, the federal Truth-In-Lending Act and Regulation Z issued thereunder; the federal Fair Credit Reporting Act as amended by the Fair and Accurate Credit Transactions Act of 2003; the federal Fair Housing Act and the federal Equal Credit Opportunity Act and Regulation B issued thereunder; and the federal Real Estate Settlement Procedures Act and Regulation X issued thereunder. Broker shall strictly adhere to the consumer financial privacy protection provisions contained in the Fair Credit Reporting Act, including limitations on affiliate sharing practices, as well as any and all limitations on non-affiliate sharing practices imposed by the Gramm-Leach-Bliley Act and state laws. Furthermore, Broker agrees to at all times perform such duties and responsibilities in an honest and ethical manner.

5.7 Compliance with OAKTREE FUNDING Guidelines. All Loan applications have been properly originated, prepared and completed in accordance with OAKTREE FUNDING procedures and guidelines. Further, Broker agrees to deliver to OAKTREE FUNDING any and all exhibits or documents contained or prepared by Broker in connection with each Loan submitted.

5.8 Verified Authenticity of Borrower Documentation Supporting Credit Application. Broker has no adverse information or documentation concerning any Borrower which it has not communicated to OAKTREE FUNDING and that all documents or instruments prepared or submitted by Broker in connection with such Loans will be valid and genuine in every respect.

5.9 Not An OAKTREE FUNDING Affiliate or Branch. Broker has not in any way represented or implied to a loan applicant, regulator or to the general public that Broker is in any way affiliated with or a branch of OAKTREE FUNDING, or that Broker has the delegated power or authority to bind OAKTREE FUNDING.

5.10 No Other Fees. Except as otherwise disclosed in writing to OAKTREE FUNDING prior to the funding of any Mortgage Loan by OAKTREE FUNDING, Broker shall not receive any direct or indirect payment or consideration from any third party with respect to the transaction including, but not limited to, payments involving escrow, appraisal, or sale.

5.11 No Pending Suits. Unless previously disclosed in writing to OAKTREE FUNDING there is not pending or threatened any suit, action, arbitration, or legal, administrative or other proceeding or governmental investigation (including any allegation of fraud by another lender) against Broker or its current or former owners, agents, or employees that could have a material adverse effect on Broker's business, assets, financial condition, or reputation.

5.12 Corporate Good Standing. Where Broker is not an individual, Broker is a duly organized and validly existing entity that is in good standing under the applicable laws and regulations or its state of organization, all jurisdictions in which it conducts business, and the

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United States of America. Broker has the requisite power, authority, and capacity, corporate or otherwise, to execute and deliver this Agreement and perform its obligations hereunder. At any time, with reasonable notice, OAKTREE FUNDING may require Broker to provide copies of Broker's corporate or other organizational documents.

5.13 No Violation of Laws. Broker's execution and delivery of this Agreement, and performance hereunder, does not and will not violate any provision of any law, rule or regulation (federal, state or local); any order, writ, judgment, injunction, decree, determination, or award; or any other agreement or instrument to which the Broker is a party or by which it may be bound or affected. This warranty applies whether any of the above are presently effective or known by Broker to become effective.

5.14 Fair Lending Statement. Broker acknowledges that it does not discriminate against applicants on the basis of age, race, color, gender, ethnic background, national origin, religion, marital status, familial status, veteran status, handicap, sexual orientation, receipt of public assistance, because rights have been exercised under the Consumer Credit Protection Act or any other prohibited basis.

5.15 Loan Not Subject To Rescission, Defenses to Enforcement. The Mortgage Loan is not subject to any right of rescission, offset, counterclaim or defense, including the defense of usury.

5.16 No Material Change in Borrower Financial Condition. Broker has taken the necessary steps to ensure that there has been no material change in the condition of any loan applicant from the time the Loan application was submitted to OAKTREE FUNDING and the time of Loan closing.

5.17 Independent Investigation. Broker has performed such independent investigation of the loan applicant and the materials and information provided by the applicant to enable Broker to make the representations and warranties provided herein.

5.18 Marketability of Loan. Broker has no knowledge of any circumstances or conditions with respect to any Loan, mortgaged property, borrower credit standing that could be expected to cause 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 the Loan.

If at any time during the period between the submission of the Mortgage Loan application and the closing and funding of the Mortgage Loan, Broker learns, or has reason to believe, that any of its representations and warranties may cease to be true, Broker shall immediately give written notice thereof to OAKTREE FUNDING regardless of whether OAKTREE FUNDING had the opportunity to or did independently verify or investigate any of the information submitted by Broker. OAKTREE FUNDING, however, has no obligation to verify any information submitted by Broker. All representations and warranties made, and all duties and recourse obligations undertaken by Broker shall inure to OAKTREE FUNDING's successors and assigns and survive (i) any investigation made by or on behalf of OAKTREE FUNDING, its assignees or designees,

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(ii) any purchase, funding, sale and/or liquidation of the Mortgage Loans, (iii) any suspension or termination of Broker's privileges under this Agreement, and (iv) to the extent permitted, the bankruptcy or insolvency of either Party. Broker herein agrees, upon reasonable request of OAKTREE FUNDING, to provide such evidence deemed satisfactory to OAKTREE FUNDING of its compliance with any provision of this Agreement.

6. Status of Broker. Nothing in this Agreement shall be construed as making the Broker a joint venture, partner, representative, employee or agent of OAKTREE FUNDING. Broker shall not hold itself out as such, nor shall it use the OAKTREE FUNDING's name in any advertising. Broker is an independent contractor, and Broker shall determine the method, details, and means of performing all services described in this Agreement. Broker shall have no agency, power or authority to undertake any act or transaction on behalf of or as agent for OAKTREE FUNDING.

7. Broker Financial Condition. Broker hereby represents and warrants that it is solvent and has adequate financial capitalization to properly engage in the business of originating and processing Mortgage Loans. Broker agrees to (a) notify OAKTREE FUNDING if Broker becomes insolvent; (b) notify OAKTREE FUNDING if Broker incurs claims or obligations which could make it insolvent; (c) notify OAKTREE FUNDING if Broker experiences a material change in financial condition that could impair Broker's ability to perform under this Agreement; and (d) provide OAKTREE FUNDING with financials on an annual basis or as reasonably requested by OAKTREE FUNDING.

8. Broker's Indemnification and Repurchase Obligation.

8.1 Broker's Obligation to Indemnify. Broker understands and agrees that Broker shall indemnify and hold OAKTREE FUNDING and its shareholders, directors, officers, agents, employees, successors, and assigns harmless from and against, and shall reimburse the same with respect to, any and all loss, damage, liability, costs, and expenses, including reasonable attorneys' fees, from any cause whatsoever, incurred by reason of or arising out of or in connection with, (a) any breach of any representation or warranty contained in paragraph 5, (b) Broker's failure to perform any obligation hereunder, and/or (c) any claim by a Borrower resulting from OAKTREE FUNDING's failure or refusal to fund a Mortgage Loan (collectively "Loss"). Broker's obligation to indemnify OAKTREE FUNDING under this Agreement shall arise immediately upon OAKTREE FUNDING incurring a Loss.

8.2 Broker's Obligation to Repurchase.

8.2.1. Broker understands that OAKTREE FUNDING may sell any or all of the Mortgage Loans which have funded in OAKTREE FUNDING's name to third party investors, and that OAKTREE FUNDING remains responsible to its third party investors for the representations set forth in those loans. Upon receipt of notice from its investor of a repurchase demand arising from any Mortgage Loans which Broker has submitted, and which OAKTREE FUNDING has funded, OAKTREE FUNDING shall provide broker with reasonable notice thereof. Broker understands and agrees that Broker's obligation to repurchase such loans under this Agreement shall arise immediately upon OAKTREE FUNDING's receipt of a Mortgage

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Loan repurchase demand, even if OAKTREE FUNDING has not incurred any Loss with respect to such Mortgage Loan.

8.2.2. Broker shall repurchase any Loan sold to OAKTREE FUNDING pursuant to this Agreement within twenty business days of written demand notification from OAKTREE FUNDING under any of the following circumstances:

(a) OAKTREE FUNDING determines that there is any evidence of fraud in the origination of the Loan or in the sale of the Loan to OAKTREE FUNDING or that any matter in the mortgage loan file is not true and correct.

(b) If OAKTREE FUNDING determines the Loan is not eligible for Ginnie Mae, Fannie Mae, or Freddie Mac pool participation or whole loan purchase or purchase by a private investor.

(c) *Early Payment Defaults.* If the first payment due OAKTREE FUNDING or its assignees under the Loan is not received by OAKTREE FUNDING or its assignee, whether from the borrower directly or forwarded by Broker if the Borrower has submitted the payment to Broker, by the last day of the month in which it is due, and, in addition, at any time within the first six months after the Loan has been purchased by OAKTREE FUNDING, the Borrower is 90 days delinquent with respect to a monthly payment (by the last Day of the third month). Broker shall not have the right to advance funds for on behalf of a Borrower for any delinquent payment or to otherwise make funds available to any Borrower to avoid or cure a default by the Borrower. A payment for which OAKTREE FUNDING deducted funds at the time it purchased the Loan from Broker shall not be considered the first payment due OAKTREE FUNDING.

8.2.3. The option to request or accept repurchase of any Loan is at the sole discretion of OAKTREE FUNDING. The repurchase price for Loans subject to a Repurchase Obligation pursuant to this Section 8.2 shall be as follows:

1. The current unpaid principal Loan balance; plus
2. All interest accrued but unpaid on the principal Loan balance from date loan was funded through and including the last day of the month in which the Broker repurchases the Loan; plus
3. All expenses, including but not limited to reasonable attorneys fees and costs incurred by OAKTREE FUNDING in enforcing the Loan agreement and security instrument, including foreclosure costs and fees; plus
4. Any costs, expenses, fees or penalties paid by OAKTREE FUNDING to its secondary market investor in the Loan in connection with its repurchase of the Loan or in connection with OAKTREE FUNDING's inability to sell the Loan on the secondary market; plus
5. Any unreimbursed advances of taxes or insurance made by OAKTREE FUNDING with regard to such Loan as of the date of repurchase; less

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6. Any proceeds of mortgage insurance with respect to the Loan collected by OAKTREE FUNDING.

8.2.4. It is further agreed by the parties that if OAKTREE FUNDING has made demand on Broker to repurchase Loan pursuant to this Section 8.2, OAKTREE FUNDING shall have the right to withhold any monies due Broker in connection with the Loan(s) subject to the Repurchase Obligation or any other Loans until the parties have agreed that the Repurchase Obligation is satisfied.

8.3 Early Pay-Off. Broker acknowledges and agrees that if a Loan is refinanced or substantially paid within six months of funding, OAKTREE FUNDING will suffer damages or costs as a result of early pay-off. Without limiting any other obligations under this Agreement, Broker agrees that if more than eight percent (60%) of the original principal balance of any Loan is paid, by refinance or otherwise, within 180 days of the funding of such Loan, Broker will reimburse OAKTREE FUNDING the full amount of yield spread premium paid to Broker and any yield spread used as credit to borrower on the Loan plus all costs, fees, damages or penalties suffered by OAKTREE FUNDING as a result of the early pay-off within five business days of delivery of written notification of the early pay-off from OAKTREE FUNDING.

9. OAKTREE FUNDING's Rights.

9.1 Broker's obligation to fully indemnify OAKTREE FUNDING under this Agreement shall not be affected by OAKTREE FUNDING's taking any of the following actions with or without notice to Broker in order to mitigate OAKTREE FUNDING's losses: (a) Liquidation, repayment, retirement, or sale or resale of any Mortgage Loan; (b) foreclosure of any Mortgage Loan; or (c) sale or resale of the property securing any Mortgage Loan.

9.2 Broker agrees to keep and maintain such book and records so as to meet and comply with all applicable federal and state laws and regulations. Broker hereby grants permissions and authority to OAKTREE FUNDING to audit Broker's books and records and to order investigative credit reports on Broker and its principals, employees, and agents as deemed necessary in the sole discretion of OAKTREE FUNDING. Broker understands that OAKTREE FUNDING and/or the loan purchasers of OAKTREE FUNDING will maintain an active Quality Control System and that OAKTREE FUNDING will routinely re-verify pertinent credit documentation submitted by Broker.

10. Disclosure of Information. Broker acknowledges and agrees that OAKTREE FUNDING may report instances of Broker making any material misstatement in connection with a Mortgage Loan, or Broker's knowingly aiding a Borrower to do the same, to appropriate state or federal regulatory, authorities or law enforcement agencies.

11. Termination of Agreement.

11.1 This Agreement may be terminated with or without cause by OAKTREE FUNDING or Broker upon ten (10) days written notice to the other Party. Termination under this

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Section 11.1 shall not terminate Broker's obligation to submit, and OAKTREE FUNDING's obligation to accept for review, those Mortgage Loan applications and related documents which, prior to the effective date of termination, have been registered by OAKTREE FUNDING with the interest rate locked-in, provided that such Mortgage Loan applications continue to meet the requirements of this Agreement, OAKTREE FUNDING's wholesale lending guidelines, and the applicable Mortgage Loan program.

11.2 OAKTREE FUNDING may terminate this Agreement immediately if it determines that Broker has committed a Breach. Termination under this Section 11.2 shall release OAKTREE FUNDING from any and all obligations to accept, underwrite, close, and purchase or fund any Mortgage Loans after the effective date of termination, regardless of whether such Mortgage Loans were registered with interest rate locks prior to the effective date of the termination.

11.3 During the course of a pending investigation for any claimed Breach (or any act, event, or circumstance which, with the giving of notice or the passage of time, or both, would constitute a Breach) on the part of Broker, in addition to any other right or remedy OAKTREE FUNDING may have, OAKTREE FUNDING may, at its sole discretion, temporarily suspend or restrict Broker's eligibility to participate under this Agreement. During the course of such suspension or restriction, OAKTREE FUNDING shall have neither the obligation to purchase any Mortgage Loans from Broker nor to accept any Mortgage Loan applications from Broker. During the period of suspension or restriction, OAKTREE FUNDING may nonetheless, in its sole discretion and without waiving any rights under this Section 11.3, continue to purchase such Mortgage Loans or acquire such Mortgage Loan applications previously registered with OAKTREE FUNDING as it shall deem appropriate.

11.4 Termination of this Agreement shall not affect Broker's obligations with respect to Mortgage Loans already sold or delivered to OAKTREE FUNDING.

11.5 Broker's representations, warranties, covenants and other obligations and agreements contained in this Agreement including, without limitation, Broker's indemnification and repurchase obligations, shall survive any termination of this Agreement, any investigation by OAKTREE FUNDING or its agents, or the subsequent transfer of any Mortgage Loan by OAKTREE FUNDING to a third party. The foregoing is true notwithstanding (i) any restrictive or qualified endorsement on any Mortgage Note or assignment of the Mortgage, (ii) Mortgage Loan approval, or (iii) other examination of or failure by OAKTREE FUNDING to examine any related Mortgage Loan file.

12. Governing Law; Venue. This Agreement shall be governed by California law. Each of the parties to this Agreement hereby submits itself and its property in any legal action or proceeding arising out of, or related to the Agreement, or for recognition of and enforcement of any judgment in respect thereof, to the exclusive general jurisdiction of the courts of the State of California, County of Orange, the federal courts of the United States of America for the Central District of California, and appellate courts from any thereof. Moreover, each party consents that any such action or proceeding may be brought in the aforementioned courts and hereby waives

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any objection that it may now or hereafter have to the venue of any such action or proceeding in the aforementioned courts or that such action or proceeding was brought in an inconvenient court, and agrees not to plead or claim the same.

13. Miscellaneous.

13.1 Right of Offset. Amounts owed by Broker to OAKTREE FUNDING under this Agreement may, at OAKTREE FUNDING's option and in its sole discretion, be offset by OAKTREE FUNDING against any payments then or thereafter owed by OAKTREE FUNDING to Broker.

13.2 Notices. All notices required hereunder shall be in writing and shall be deemed to have been given, made, and received only (a) upon delivery, if personally delivered to a party; (b) one business day after recognized courier service offering guaranteed overnight delivery; or (c) three business days after deposit in the United States first class mail, certified mail, postage prepaid, return receipt requested, at the address appearing below.

13.3 Attorney's Fees. If any legal action or other proceeding is brought for the enforcement 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, in addition to any other relief which it or they may be entitled.

13.4 Assignment. OAKTREE FUNDING has entered into this Agreement with Broker in reliance on the specific qualifications of Broker to provide services contemplated herein; therefore, Broker may not assign or delegate this agreement or any of its rights or obligations hereunder to any other party without prior written request of OAKTREE FUNDING, which consent may be withheld in OAKTREE FUNDING's sole and arbitrary discretion.

13.5 Entire Agreement Amendment. This Agreement constitutes the entire agreement between the parties and supersedes all prior and contemporaneous agreements, representations, and understandings. No supplement, modification, or amendment shall be binding unless executed in writing by both parties.

13.6 Waivers, Remedies. Failure or delay to audit any Mortgage Loan or to exercise any right shall not act as a waiver of any other right, nor shall any single or partial exercise of any right preclude any other or further exercise thereof. No waiver of any of the provisions of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver. All remedies shall be cumulative and non-exclusive.

13.7 Partial Invalidity. If any provision of this Agreement is held invalid, void, or unenforceable, the remaining provisions shall nevertheless continue in full force and effect.

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Further Assurances. Each party shall perform any further acts and execute and deliver any documents that may be reasonably necessary to carry out the provisions of this Agreement.

**14. LOAN FRAUD – ZERO TOLERANCE**

14.1 Broker is responsible for the actions of those of its employees who are engaged in the business of originating residential mortgage loans on behalf of its borrowers. Notwithstanding this responsibility, however, Broker acknowledges and agrees that he/she bears responsibility for the content and quality of each loan application taken and each loan originated by its employee's.

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

Some Types of Loan Fraud

1. Submission of inaccurate information, including false statements on loan application(s) and/or falsification of documents purporting to substantiate 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 or intent to maintain minimum continuing occupancy as stated in the security instrument.
4. Lack of due diligence by Employer/LO/interviewer/processor, including failure to obtain all information required by the application and/or failure to request information as necessitated 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. For example:
  - 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. Non-disclosure of relevant information.
7. Excessive fees or charges not disclosed.

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Consequences

The effects of loan fraud are costly to all parties involved. Fraudulent loans cannot be sold in the secondary market and, if sold, may require that Employer purchase those loans. Fraudulent loans damage the reputation of Employer with lenders, investors and mortgage insurance providers, and expose Employer to considerable risk of liability.

The price paid by those who participate in loan fraud is even more costly. The following is a list of a few of the potential consequences that may be incurred.

Potential Consequences to Loan Originator and/or Employer

1. Criminal prosecution.
2. Loss of professional license.
3. Loss of lender access and/or investor relationships due to exchange of information between lenders and mortgage insurance companies including submission of information to investors (e.g., FHLMC and FHMA).
4. Civil action by applicant/borrower or other parties to the transaction.
5. Loss of approval status.
6. Employment termination.

Potential Consequences to Borrower

1. Acceleration of debt. The FNMA/FHLMC Mortgage/Deed of Trust in effect at any given time, as well as the Mortgage/Deeds of Trust of other institutional investors, provide substantially as follows: "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 principle residence."

**Note: A foreclosure action may not allow the borrower the benefit of reinstatement in order to cure the default. The borrower may be required to pay off the loan in full prior to the sale date of the real property security.**

2. Criminal prosecution.
3. Civil action by Broker/Banker.
4. Civil action by other parties to the transaction, such as the seller or real estate agent.

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5. Adverse effects on credit history.

**IN WITNESS WHEREOF**, Broker and OAKTREE FUNDING, by their respective authorized signatories, have executed this Agreement as of the date first above written.

OAKTREE FUNDING CORPORATION

By: \_\_\_\_\_

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

Title: \_\_\_\_\_

Address: 223 North First Avenue, Upland, CA 91786

Fax Number: (909) 982-9614639-8851

\_\_\_\_\_ (“Broker”)

By: \_\_\_\_\_

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

Title: \_\_\_\_\_

Fax Number: \_\_\_\_\_



**OAKTREE FUNDING**  
**CORP.**

## **Submission Page**

### **Instructions for Broker Package Submission**

**Print the package and sign where indicated.  
Send original package to:**

**Oaktree Funding Corporation  
223 N. First Ave  
Upland, Ca 91786**

**We will start processing as soon as we receive your e-mail submission, however will required the original package for final approval.**

**You can submit loans upon receipt of the e-mail submission request subject to final approval and receipt of original package.**

**By submitting your package we here agree to all the terms and conditions in the agreement.**