



BROKER/LENDER APPLICANT ASSISTANCE AGREEMENT

This BROKER/LENDER APPLICANT ASSISTANCE AGREEMENT (the Agreement”) is made this _____ day of _____, 200_____ by and between

a _____ corporation with its principal place of business at _____ (the “Broker”) and Lender **OAKTREE FUNDING CORPORATION**, a California corporation (the “Lender”) (collectively, the “parties”).

- a. Broker assists Applicants (“Applicants”), for a fee (the “Applicant Assistance Fee”) that Applicants agree to pay to Broker, in their applications for one- to four-family residential mortgage loans including reverse mortgage loans intended to be insured by the Federal Housing Administration (the “FHA”) under its Home Equity Conversion Mortgage (“HECM”) program (“HECM reverse mortgage loans”).
- b. Lender makes HECM reverse mortgage loans to eligible Applicants:
- c. Broker desires to confirm the terms and conditions under which Lender is willing to permit the payment to Broker of the Applicant Assistance Fee as part of the origination fee Lender will charge to Applicants in connection with such HECM reverse mortgage loans; and
- d. Lender is willing to permit the payment of the Applicant Assistance Fee under the terms and conditions described in this Agreement, which terms and conditions are acceptable to Broker.

The parties hereto hereby agree as follows:

**ARTICLE I
COVENANTS AND ACKNOWLEDGEMENTS**

- 1.1 Broker agrees to secure from each Applicant a written agreement describing the assistance that Broker agrees to provide to the Applicant in connection with the application for a HECM reverse mortgage loan (the “Applicant Assistance Services”), and confirming the amount of the “Applicant Assistance Fee” the Applicant agrees that the fee paid to the Broker for providing the Applicant Assistance Services. Broker acknowledges that the Applicant Assistance Fee shall be included by Lender as part of the origination fee that Lender will charge to the Applicant in connection the HECM reverse mortgage loan. The written agreement shall be in the form of the “Applicant Assistance Agreement” attached hereto as Exhibit A, or in such other form that is acceptable to Lender in its sole discretion.



- 1.2 Broker agrees to provide a fully executed original Applicant Assistance Agreement to Lender in connection with each loan application as to which Broker intends to be paid the Applicant Assistance Fee, and Broker acknowledges and agrees that such Applicant Assistance Agreement may be provided by Lender to FHA and others.
- 1.3 Broker agrees to provide to Applicants the Applicant Assistance Services, in good faith and to the best of its ability.
- 1.4 Broker agrees to accept, as full payment for the Applicant Assistance Services, the Applicant Assistance Fee, and Broker agrees that it will not accept or receive, directly or indirectly, any other payment, compensation or thing of value from the Applicant for the provision of the Applicant Assistance Services or otherwise related to the HECM reverse mortgage loan.
- 1.5 Lender agrees to retain or collect from the proceeds of each HECM reverse mortgage loan made by Lender to a Applicant an origination fee, denominated as such, in an amount at least equal to the amount of the Applicant Assistance Fee described in the Applicant Agreement provided to Lender by Broker.
- 1.6 As long as doing so is consistent with the applicable requirements of the FHA and the HECM reverse mortgage loan investor and with the Applicable Requirements as defined below, Lender agrees to remit to Broker, or to arrange for the remittance to Broker of, the Applicant Assistance Fee upon the settlement, closing and funding of each HECM reverse mortgage loan as to which such a fee is due and payable to Broker under the terms of the Broker/Applicant Assistance Agreement and this Agreement provided, however, that, unless otherwise agreed to in writing by Lender, in no event (and notwithstanding any provision to the contrary in any Applicant Assistance Agreement) shall the amount of the Applicant Assistance Fee that will be so remitted to the Broker by the Lender be in excess of the product of (a) twenty-five percent (25%); and (b) the origination fee for such loan as FHA regulations define that term (the “Maximum Lender-Permitted Fee Amount”), for each HECM reverse mortgage loan originated by Lender in connection with which Broker provides the Applicant Assistance Services to the Applicant (a “Broker-Assisted HECM Loan”). For example, if the origination fee is \$3,000, the Maximum Lender-Permitted fee would be 25% of that amount, or \$750 up to a maximum of \$1,000.00 The parties acknowledge that the Maximum Lender-Permitted Fee Amount; describes the maximum amount that Lender agrees that it will remit Broker for providing the Applicant Assistance Services in connection with a HECM reverse mortgage loan originated by Lender; that neither the Applicant nor the Broker is obligated to agree, in the Applicant Assistance Agreement, to the payment to the Broker of such Maximum Lender-Permitted Amount; and that it is only the fee in the amount agreed to the Applicant in the Applicant Assistance Agreement that will be remitted by Lender to Broker for providing the



Applicant Assistance Services. Broker agrees and understands that any promotional programs and credit to borrower will be deducted from the gross loan origination fee be the agreed percentage or dollar amount will be calculated.

- 1.7 Broker acknowledges and agrees that Lender shall disclose to Applicants and others the amount and payee of the Applicant Assistance Fee, on the disclosure statements required by law to be provided to the Applicant in connection with Broker-Assisted HECM Loans, and that Broker similarly shall make all such disclosures that may similarly be required of it.
- 1.8 Broker acknowledges and agrees that the Broker-Assisted HECM Loan shall be originated by the Lender, and not by the Broker; that Lender, and not Broker, shall take the application from the applicant; and that Broker shall provide only the Applicant Assistance Services in connection with the origination of such loans.
- 1.9 Broker agrees and acknowledges that it shall be engaged independently by the Applicants to whom it agrees in the Applicant Assistance Agreement to provide the Applicant Assistance Services.
- 1.10 Broker shall obtain and maintain in full force and effect, and satisfy at all times related eligibility criteria in order to maintain in fill force and effect, without material impairment, suspension or revocation, the “Broker’s Licenses and Exemptions” described in Section 2.1 below.

ARTICLE II REPRESENTATIONS, WARRANTIES AND COVENANTS OF BROKER

Broker represents and warrants to Lender as follows (it being acknowledged that each such representation and warranty is made to Lender as of the date of execution hereof, the date Broker provides each Applicant Assistance Agreement to Lender, and the date each Broker-Assisted HECM Loan is closed, funded and settled):

- 2.1 Broker is and shall continue to be duly organized, validly existing and in good standing under the laws of its state of incorporation. Broker has and shall continue to maintain in full force and effect all necessary licenses, approvals, registrations and certifications or is duly exempt there from in all appropriate jurisdictions to conduct all its activities as described in this Agreement and the Applicant Assistance Agreement (collectively, “Broker’s Licenses and Exemptions”).
- 2.2.1 Broker has all requisite corporate power, authority and capacity to enter into this Agreement and to perform its obligations hereunder. The execution and delivery of this Agreement, and any related agreements or instruments and the consummation of the transactions contemplated hereby and thereby, each has been duly and validly authorized by all necessary corporate action. This Agreement and any related agreements or instruments each constitute a valid and legally binding agreement of Broker enforceable in accordance with its terms.



- 2.3 The execution, delivery and performance of this Agreement, and any related agreements or instruments by Broker, its compliance with the terms hereof and thereof, and consummation of the transactions contemplated hereby and thereby, will not violate, conflict with, result in a breach of, constitute a default under, be prohibited by, or require any additional approval under its articles of incorporation, bylaws, or any instrument or agreement to which it is a party or by which it is bound or any state or federal law, rule, or regulation or any judicial or administrative decree, order, ruling or regulation applicable to it.
- 2.4 No representation, warranty or written statement made by Broker in this Agreement or in the Applicant Assistance Agreement is inaccurate, untrue, incomplete, or misleading in any material respect.
- 2.5 Broker is neither owned nor controlled by Lender, and there is no financial interest between Broker and Lender except as described in this Agreement.
- 2.6 Broker is generally knowledgeable about the HECM reverse mortgage loan programs offered by lenders other than Lender in the area in which it intends to provide the Applicant Assistance Services (if any), which it also recommends to Applicants in appropriate circumstances.

**ARTICLE III
REPRESENTATIONS AND WARRANTIES OF LENDER**

Lender represents and warrants to Broker as follows (it being acknowledged that each such representation and warranty is made to Broker as of the date of execution hereof, the date Broker provides each Applicant Assistance Agreement to Lender, and the date each Broker-Assisted HECM Loan is closed, funded and settled):

- 3.1 Lender is a corporation duly organized, validly existing and in good standing under the laws of the State of California. Lender is qualified to transact business in each jurisdiction in which such qualification is deemed necessary.
- 3.2 Lender has all requisite corporate power, authority and capacity to enter into this Agreement and to perform the obligations required of it hereunder. The execution and delivery of this Agreement, and the consummation of the transactions contemplated hereby, each have been duly and validly authorized by all necessary corporate action. This Agreement constitutes a valid and legally binding agreement of Lender enforceable in accordance with its terms, except as may be limited by bankruptcy, insolvency, or other laws or equitable principles affecting the enforcement of creditor’s rights generally.
- 3.3 The execution, delivery and performance of this Agreement by Lender, its compliance with the terms hereof and the consummation of the transactions contemplated hereby, will not violate, conflict with, result in a breach of, constitute a default under, be prohibited by, or require any additional approval under its certificate of incorporation, bylaws, or any instrument or agreement



to which it is a party or by which it is bound.

ARTICLE IV TERMINATION

- 4.1 This Agreement may be terminated at any time (i) by mutual written consent of the parties, or (ii) by either party, for any or no cause, upon 30 calendar days’ written notice to the other party.
- 4.2 In the event of the termination of this Agreement in accordance with Section 4.1, Lender shall remit any Applicant Assistance Fee that Lender committed to remit to Broker prior to such termination, and thereafter this Agreement shall be void and Lender shall not be required to remit any further Application Assistance Fees to Broker.
- 4.3 No termination of this Agreement shall release any party from liability for its own misrepresentation or for any breach by it prior to such termination of any covenant, agreement, representation or warranty contained herein.

ARTICLE V MISCELLANEOUS

- 5.1 The representations, warranties, covenants and agreements contained herein shall survive the execution of this Agreement, and shall not terminate, notwithstanding the termination of this Agreement.
- 5.2 This Agreement may not be amended except by an instrument in writing signed by each of the parties hereto.
- 5.3 This Agreement shall be governed by, construed and enforced in accordance with federal law and the laws of the State of California without reference to the choice of law principles thereof
- 5.4 This Agreement shall be binding upon the parties hereto and their respective successors and assigns and shall inure to the benefit of the parties hereto and their respective permitted successors and assigns. Broker shall not assign this Agreement nor any rights hereunder, including, without limitation, the right to receive compensation or money due hereunder, without the prior express written consent of Lender. Broker shall not delegate any duty hereunder without the prior express written consent of Lender.
- 5.5 Broker is not, and shall not represent to Applicants or third parties that it is acting as an agent for and on behalf of Lender.
- 5.6 Nothing in this Agreement is intended to confer any right, remedy, obligation or liability upon any



OAKTREE FUNDING
CORP.

“REVERSE MORTGAGE SPECIALIST”

person other than the parties hereto and their respective successors and permitted assigns

Each of the undersigned parties to this Agreement has caused this Agreement to be duly executed in its corporate name by one of its duly authorized officers, all as of the date first above written.

Company Name: _____

Address: _____

City: _____ **State:** _____ **Zip:** _____

Phone Number: _____ **Fax:** _____

“BROKER”

(Signature)

Name: _____
(Print Name)

Title: _____

“LENDER”

Oaktree Funding Corporation
312 N. Mountain Ave.
Upland, CA 91786
909-982-5945 Fax 909-982-9614

By: _____

Name: _____ **Title:** _____