

MORTGAGE LOAN ORIGINATION AGREEMENT

This Mortgage Loan Origination Agreement (hereinafter called Agreement) is entered into between Reed Mortgage Corporation (hereinafter called Broker) and _____ (hereinafter called Borrower).

Borrower agrees to enter into this Agreement with Broker as agent to apply for a residential mortgage loan from a participating lender with which Broker from time to time contract upon such terms and conditions as Borrower may request or a lender may require. Borrower inquired into mortgage financing with Broker on _____. Broker is licensed as a "Mortgage Broker" under not applicable.

SECTION 1 - NATURE OF RELATIONSHIP

In connection with this mortgage loan:

- Broker will be acting as limited agent on behalf of Borrower for the exclusive purpose of assisting Borrower in obtaining a mortgage. Broker will endeavor to act in the best interests of the Borrower with the utmost good faith, loyalty, and fidelity.
- Borrower shall not be liable for the acts of the Broker unless such acts are approved, directed, or ratified by the Borrower.
- This agreement shall terminate upon either (1) disbursement of the mortgage loan, or (2) withdrawal of the loan application by Borrower, or (3) notification to Borrower that Broker will be unable to obtain a mortgage loan for Borrower, or (4) resignation by Broker as agent for Borrower.
- Broker may act as agent for other parties seeking a mortgage loan while acting as agent for Borrower.
- Broker will use its best efforts to determine the type of mortgage loan, features, and lender service that meets the Borrower's needs, and to find the best wholesale price for the mortgage loan. Borrower is under no obligation to accept any mortgage loan presented by Broker, and Borrower shall have sole authority to determine the type of mortgage loan.
- Broker has entered into separate independent contractor agreements with various lenders. Broker is not a lender, and thus cannot make the mortgage loan.
- While Broker will seek to assist Borrower in meeting Borrower's financial needs, Broker does not distribute the products of all lenders or investors in the market and cannot guarantee the lowest price or best terms available in the market.
- If the type of mortgage loan selected by Borrower allows Borrower the option of when to lock the interest rate on the mortgage loan, Broker will lock the interest rate only at the direction of the Borrower.
- When directed by the Borrower who has met lender lock requirements, Broker will lock the terms (interest rate, points, and other major features) of the mortgage loan. Broker will provide a copy of the written confirmation of the rate lock as soon as it has been received from the lender.
- If Borrower elects to float the interest rate/points, Broker shall provide Borrower the best wholesale price available to Borrower on the day the mortgage loan is finally locked.

- On or before the time of the rate lock, Broker shall disclose to Borrower the specific fees that will be paid to lender, including the amount of each fee. The amount of the fees paid to lender shall not exceed the amount disclosed by Broker.
- Once the interest rate on the mortgage loan is locked, Borrower agrees to accept that interest rate, and Broker is under no obligation to seek out a lower interest rate and/or better terms for Borrower.

SECTION 2 - COMPENSATION

In consideration of securing mortgage loan for Borrower, Borrower agrees that Broker shall be paid compensation of \$_____ (hereinafter called Compensation). This Compensation shall be due and payable at the time the mortgage loan is disbursed.

The lenders whose loan products Broker distributes generally provide their loan products at a wholesale rate. The retail price offered Borrower – the interest rate, total points and fees – will include the Compensation.

- In some cases, Broker may be paid all of the Compensation by either Borrower or the lender.
- Alternatively, Broker may be paid a portion of the Compensation by both Borrower and the lender. For example, if the Borrower would rather pay a lower interest rate, Borrower may pay higher up-front points and fees.
- Also, in some cases, if Borrower would rather pay less up-front, some or all of the Compensation will be paid indirectly through a higher interest rate, in which case Broker will be paid directly by the lender.
- Broker may be paid by the lender based on (i) the value of the Mortgage Loan or related servicing rights in the market place or (ii) other services, goods, or facilities performed or provided by us to the lender.

Notwithstanding the foregoing, any payments Broker receives from third parties involved in the transaction, will be credited to Borrower, unless such payment have been included in the Compensation.

SECTION 3 - BROKER SERVICES

In consideration for Broker earning its Compensation, Broker shall provide the services it deems necessary and appropriate in order for Borrower to obtain a mortgage loan. Said services will include, when applicable, the following:

- Taking information from the Borrower and completing the loan application
- Analyzing the Borrower's financial information, including income and debts, and prequalifying the Borrower.
- Educating the Borrower on the home-buying and financing process, advising the Borrower about the different loan products available, and demonstrating how closing costs and monthly payments could vary under each product.
- Collecting financial information and other related documents from the Borrower.
- Initiating or ordering verifications of employment, verification of deposit, verification of mortgage, and other loan verifications
- Initiating or ordering appraisal reports and property inspections
- Providing required legal disclosures to the Borrower
- Assisting the Borrower in understanding and clearing credit problems
- Maintaining regular contact with the Borrower, real estate broker (if applicable), and lender, between application and closing, to apprise them of the status of the loan application and to gather any additional information as needed.
- Participating in the loan closing process.

SECTION 4 - THIRD PARTY FEES

In its efforts to obtain a mortgage loan for Borrower, Broker may incur costs for certain third party services. These services include, but are not limited to, property appraisal report, final inspection, credit report, and property survey/improvement location certificate.

Borrower does hereby agree to reimburse Broker for the costs Broker incurs for these third party services, regardless of whether or not the mortgage loan is disbursed. Borrower further acknowledges that payment to Broker for these third party services shall be in addition to Broker's Compensation.

On third party services ordered by Broker but paid for by Borrower, Broker will provide Borrower with the invoice for the service provider at Borrower's request. Alternatively, Broker may have the payment made directly by Borrower to the third party service provider.

Broker selects third party service providers based on price, service, and the quality of the work. There is no guarantee that the price for such service will be the lowest in the market.

SECTION 5 - ADDITIONAL PROVISIONS

- This Agreement is not an approval of a mortgage loan, and there is no assurance that Broker will be able to arrange a mortgage loan for Borrower.
- Broker shall not be held liable for actions of the lender, including, but not limited to, failure to honor the terms of a rate lock, errors of the lender, or for any terms or conditions of the loan documentation that may be contrary to any state or federal law.
- Broker shall not be held liable for the condition of the property securing the mortgage loan.
- Borrower acknowledges that Borrower has reviewed his/her financial situation and that it is in the Borrower's best interests to obtain a mortgage loan, and Borrower has not relied on the advice of Broker as to the wisdom of doing so.
- This Agreement and all disputes arising hereunder shall be governed by and construed in accordance with the laws of the State of Colorado.
- In the event that any part or portion of this Agreement is held invalid or unlawful through any administrative, quasi-judicial, or judicial proceeding, the invalidity or illegality thereof shall not effect the validity of this Agreement as a whole and the other provisions and terms contained herein shall remain in full force and effect as if the illegal or invalid provision has been eliminated.

ACKNOWLEDGEMENT AND AGREEMENT

By signing below, Borrower and Broker acknowledge receipt of a copy of this signed Agreement.

Borrower/Date

Broker/Date

Borrower/Date