



U.S. BANK HOME MORTGAGE WHOLESALE/CORRESPONDENT AGREEMENT

This Agreement, entered into this **DATE** by and between U.S. Bank Home Mortgage, having their principal mortgage banking office located at 17500 Rockside Road, Bedford, Ohio 44146 and

COMPANY NAME (hereinafter referred to as "Seller") having its principal office located at:

COMPANY ADDRESS

From time to time pursuant to this Agreement, Seller shall sell and U.S. Bank Home Mortgage shall buy mortgage loans on residential real estate (hereinafter collectively called the "Mortgage Loans" and individually a "Mortgage Loan"). This Agreement shall govern the sale and transfer of such Mortgage Loans by Seller to U.S. Bank Home Mortgage and each such Mortgage Loan shall be subject to the warranties, representations, and agreements set forth herein, subject, however, to the terms and conditions of any separate written offering or commitment letters applying to the Mortgage Loans.

All future purchases of Mortgage Loans by U.S. Bank Home Mortgage shall be governed by the terms contained herein unless the parties shall agree in writing before or at the time such purchases are made. The purchase price and any servicing release premium paid for each Mortgage Loan shall be established by written agreement between the parties. The terms and conditions of any separate offering or commitment letter signed by the parties hereto and pursuant to which U.S. Bank Home Mortgage shall agree to buy and Seller shall agree to sell any Mortgage Loan shall survive and be deemed to be a part of this Agreement. In this Agreement, the term "Buyer" shall refer to U.S. Bank Home Mortgage. This Agreement, and any and all representations, warranties, or covenants of Seller hereunder, may be enforced against Seller by U.S. Bank Home Mortgage, and/or their successors and assigns.

1. LOANS ELIGIBLE FOR PURCHASE: Seller may offer for sale to Buyer eligible VA, FHA, RHS, or Conventional Mortgage Loans. All such Mortgage Loans shall be sold with servicing released to Buyer. All such Mortgage Loans shall be originated and closed according to standard agency regulations as established, and amended from time to time, by the Federal National Mortgage Association (FNMA), the Federal Home Loan Mortgage Corporation (FHLMC), the Government National Mortgage Association (GNMA), the Federal Housing Administration (FHA), the Veterans Administration (VA), and/or the US Department of Agriculture Rural Housing Service (RHS), formerly Farmers Home Administration (FmHA). It is hereby understood and agreed, for purposes of this Agreement, that the aforementioned standard agency regulations are incorporated in and made a part hereof. All Mortgage Loans offered by Seller must be secured by residential first-lien mortgages or deeds of trust. Seller shall be responsible for ensuring the compliance of Mortgage Loans sold hereunder with the applicable agency regulations which may exist at the time of purchase.

- 2. PAYMENT FOR LOANS:** Payment for Loans will be made following receipt and review of closing documentation, including evidence of compliance with underwriting requirements, FHA, VA and/or RHS requirements, rules and regulations, as well as all Federal and State statutes, rules and regulations, including but not limited to the Federal Truth-In-Lending Act, the Equal Credit Opportunity Act, the Fair Housing Act, the Real Estate Settlement Procedures Act and the Home Ownership and Equity Protection Act (HOEPA). Payment for Loans will be made via the Federal Reserve Wire Transfer System to the party directed by the Seller. Any amounts collected by Seller for maintenance or improvements to the property, for the escrow of taxes or insurance not yet due, or for other reserves shall be deducted from the wire amount.
- 3. DELIVERY OF DOCUMENTS:** Seller agrees to do all acts necessary to perfect title to the Mortgage Loans to Buyer and shall sell, assign and deliver to Buyer, with respect to the purchase of each such Mortgage Loan, the documents set forth in the Wholesale and/or Bond Program Manuals, all subject to the approval of Buyer and its legal counsel as to proper form and execution. No later than ninety (90) days from the date of purchase Seller shall deliver to Buyer the required final documentation. Should Seller fail to satisfy, within the aforesaid ninety (90) days, the requirements for document delivery with respect to any Mortgage Loan purchased, Buyer reserves the right to withhold service release premiums on subsequent Mortgage Loan purchases if required documentation is not received in a timely manner. Buyer's right to withhold payment of service release premiums shall be in addition to and not in lieu of Buyer's other remedies hereunder including the remedy of repurchase as provided in Paragraph 7 hereof.
- 4. GENERAL REPRESENTATIONS, WARRANTIES AND COVENANTS OF SELLER:**

Seller hereby represents, warrants, and covenants as follows:

- a) Seller is and will continue to be duly organized, validly existing, and in good standing under the laws of the jurisdiction in which it was incorporated or organized, as applicable, and has and will continue to maintain all licenses, registrations, and certifications necessary to carry on its business as now being conducted, and is and will continue to be licensed, registered, qualified, and in good standing in each state where property securing a Mortgage Loan is located if the laws of such state require licensing, registration or qualification in order to conduct business of the type conducted by Seller; and
- b) Seller has and will maintain the full corporate or partnership power and authority to execute and deliver the documents contemplated by this Agreement and to perform in accordance with each of the terms thereof and the terms of the Wholesale and/or Bond Program Manuals. The execution, delivery and performance of this Agreement by Seller and the consummation of the transactions contemplated hereby have been duly and validly authorized. This Agreement is a legal, valid, binding and enforceable obligation of Seller, and all requisite corporate or partnership action has been taken by Seller to make this Agreement valid and binding upon Seller and enforceable in accordance with its terms; and
- c) Seller has the ability to perform each and every obligation and/or requirement imposed on Seller pursuant to this Agreement, and no offset, counterclaim, or defense exists to the full performance by Seller of the requirements of this Agreement; and
- d) Neither the Participating Lender Application, this Agreement, nor any statement, report or other document furnished or to be furnished by Seller pursuant to this Agreement contains any untrue statement of material fact or omits to state a material fact necessary to make the statements contained herein or therein not misleading; and

- e) Seller has complied with, and has not violated any law, ordinance, requirement, regulation, rule or other order applicable to its business or properties, the violation of which might adversely affect the operations or financial condition of Seller to consummate the transactions contemplated by this Agreement; and
- f) All financial statements required to be submitted by Seller to Buyer have been prepared in accordance with Generally Accepted Accounting Practices applied on a consistent basis by an independent Certified Accountant or other individual acceptable to Buyer; and
- g) Seller has established procedures with respect to real estate appraisers and appraisals in accordance with the requirements described in the Wholesale and/or Bond Program Manuals, and Title IX of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (“FIRREA”) and implementing regulations, Seller maintains a list of approved appraisers (the “Approved Appraisers”) who satisfy the Buyer’s standards for appraiser independence as set forth in the Wholesale and/or Bond Program Manuals, and Seller shall, upon Buyer’s request, provide Buyer with any information Seller has in its possession regarding any appraiser or appraisal; and
- h) Seller shall at all times comply with all federal, state, and local laws, regulations, and/or ordinances applicable to it and, in particular, but without limitation, shall not, at any time, (i) discourage or dissuade any person from applying for a Mortgage Loan (ii) offer or negotiate different interest rates or terms, or (iii) treat any applicant or potential applicant differently, on the basis of that person’s race, sex, religion, national origin, age, color, disability, or marital status; or the fact that the person derives all or part of his/her income from any public assistance program; or the fact that the person has in good faith exercised any right under the Federal Consumer Credit Protection Act or any state anti-discrimination law; or based upon any other characteristic of the person which is defined to be a prohibited basis for credit discrimination under any state or federal law or regulation.

5. SELLER’S REPRESENTATIONS, WARRANTIES, AND COVENANTS REGARDING MORTGAGE LOANS

With respect to every Mortgage Loan offered by Seller to Buyer hereunder, Seller represents, warrants, and covenants as follows:

- a) The security agreement, deed of trust or other document securing the Mortgage Loan (the “Mortgage”) has been executed, on the date stated in the Mortgage (the “Closing Date”) by any and all person(s) necessary to create and convey a valid and legally enforceable first lien obligation in favor of the Seller with respect to the Mortgage Note that is superior to all other liens or other claims, and the note evidencing the Mortgage Loan (the “Mortgage Note”) is payable to Seller as payee and has been duly executed by the person or person(s) (the “Mortgagor”, whether one or more) to whom, or for whose benefit, Seller has disbursed the entire proceeds of the Mortgage Note and who is/are the true and actual person(s) who submitted an application to Seller and who have been approved by Seller and/or Buyer to receive the Mortgage Loan represented by the Mortgage Note and Mortgage; and
- b) The sale of the Mortgage Loan is in Seller’s ordinary course of business and will not result in (i) the breach of any term or provision of Seller’s charter or bylaws, (ii) the breach of any term or provision of, or conflict with or constitute a default of or result in the acceleration of any obligation under any agreement, indenture, loan or credit agreement, or other instrument to which Seller or any of its property is subject, or (iii) the violation of any law, rule, regulation, order, judgment, or decree to which Seller or any of its property is subject; and

- c) The entire proceeds of the Mortgage Loan was used by the Mortgagor to finance or refinance the purchase or initial construction of the one to four family residential dwelling permanently affixed to that real property described in the Mortgage (the "Mortgaged Property"), and the Mortgaged Property is or will be used by the Mortgagor as his/her/their principal or secondary residence or for such other purpose as is permitted by investor guidelines or under the Wholesale and/or Bond Program Manuals; and
- d) The Mortgage contains enforceable provisions that give the Mortgage holder rights and remedies to realize against the Mortgaged Property as expeditiously as applicable law allows, including, without limitation, the power of sale; and
- e) Seller has good and merchantable title to the Mortgage Loan as of the Closing Date and the assignment of the Mortgage Loan from Seller to Buyer is valid, sufficient, enforceable and conveys good title to such Mortgage Loan to Buyer, free and clear of any liens, claims, or encumbrances upon such Mortgage Loan; and Seller has not effected any assignment, sale or hypothecation of the Mortgage Loan, except in favor of Buyer; and
- f) Seller will execute and deliver to Buyer all instruments necessary to convey to Buyer all rights, titles and interests in and to each Loan and all documents evidencing insuring, guaranteeing or securing each Loan; and
- g) All taxes and governmental assessments that became due and owing prior to the Closing Date in respect to the Mortgaged Property have been paid; and
- h) An escrow of funds in an amount sufficient, in accordance with industry standards or any applicable HUD regulations, to cover a portion of one (1) calendar year's payments of taxes and governmental assessments, hazard insurance and, if applicable, mortgage insurance premiums or guaranty fees on the Mortgaged Property, has been established; and
- i) The unpaid principal balance of the Mortgage Loan is as stated; no part of the Mortgaged Property has been released from the lien securing each Loan; the terms of the Loan have in no way been changed or modified; and the Loan is current and not in default and no condition or circumstance exists that, with the passage of time, would constitute a default; and
- j) Seller is the sole owner of each Mortgage Loan to be sold under this Agreement and has the requisite power and authority to sell, transfer, and assign such Mortgage Loan on the terms herein set forth, free and clear of all liens, claims and encumbrances upon such Mortgage Loan; and
- k) Each Mortgage Loan is eligible for sale to the Federal National Mortgage Association, Government National Mortgage Association, Federal Home Loan Mortgage Corporation, or any other investor whose Mortgage Loan eligibility specifications are outlined in the Wholesale and/or Bond Program Manuals; and

- l) The Mortgage Loan was properly closed in accordance with the requirements of the Wholesale and/or Bond Program Manuals, and all applicable agencies rules and regulations. The Mortgage Loan complies with all applicable federal and state laws, rules, and regulations, as from time to time amended, including but not limited to the following: applicable usury limitations, the applicable laws and regulations governing lending, the Real Estate Settlement Procedures Act, the Equal Credit Opportunity Act, the Flood Disaster Protection Act, the Fair Housing Act, the Truth-in-Lending Act of 1968, the Depository Institutions Deregulation and Monetary Control Act of 1980, the Garn-St. Germain Depository Institutions Act of 1982 and all applicable regulations issued pursuant thereto; and that all conditions as to the validity, transferability and continuation of any FHA Insurance Contract, VA Loan Guaranty Certificate, or RHS Loan Note Guaranty if any, as required by the National Housing Act of 1934, the Servicemen's Readjustment Act of 1944, as amended, or the Cranston-Gonzales National Affordable Housing Act of 1990, and the rules and regulations thereunder, or by the FHA, VA or RHS have been properly satisfied, and said FHA Insurance Contract, FHA Commitment, VA Loan Guaranty Certificate or right to obtain a VA Loan Guaranty Certificate, or RHS Loan Note Guaranty, on each Mortgage Loan will be valid and enforceable by Buyer; and
- m) The Mortgagor has duly executed and delivered appropriate evidence indicating that the Mortgagor has received any and all disclosure materials as required by applicable law and regulations; and
- n) The full original principal amount of each Mortgage Loan has been advanced to the Mortgagor, either by direct payment, or by payment made on the Mortgagor's request or approval; and all costs, fees, and expenses incurred in making, closing and recording the Mortgage Loan, have been paid; and
- o) There is in force a paid-up Mortgagee Policy of Title Insurance on the Mortgage Loan in an amount not less than the outstanding principal balance of the Loan, affirming that the Mortgagor has fee simple, indefeasible title to the Mortgaged Property and insuring the validity and priority of Seller's first lien securing the Mortgage Loan, and such Mortgagee Policy of Title Insurance does not contain any exceptions to or defects in title not otherwise disclosed to and approved in advance by Buyer in writing; and
- p) There is a valid paid-up hazard insurance policy in force, at the time of the purchase of the Mortgage Loan by Buyer issued or written by an insurance company with a Best's Key Rating Guide financial size category of Class III or better, in an amount equal to at least the full replacement value of the improvements on the property secured by the Mortgage. The policy shall be of a type at least as protective as fire and extended coverage and shall contain a mortgagee clause and loss payable clause to the Buyer in the form of the standard New York mortgage clause, and shall contain suitable provisions for payment on all present and future mortgages on such premises in order of precedence. For properties in a special flood hazard area, there is in force a paid-up flood insurance policy. For properties located in a condominium or PUD project, Seller will provide a certificate of insurance naming Buyer as the insured plus a certified true copy of the Master Hazard and Liability Policy; and
- q) All documents submitted or delivered are genuine, and all other representations as to each Mortgage Loan sold are true and correct and meet the requirements and specifications of all parts of this Agreement and the Wholesale and/or Bond Program Manuals; and
- r) The Mortgage, Mortgage Note, and all other Mortgage Loan documents executed by the Mortgagor create a legal, valid and binding obligations of the Mortgagor, enforceable in accordance with their terms, there exists as of the Closing Date no right of offset, defense, right of rescission, homestead right, or counterclaim with respect to the Mortgage Note or any of the other documents, and there is no pending or threatened litigation that might affect the validity or enforceability of the Mortgage Note or the Mortgage; and

- s) The Mortgaged Property is either free of damage and in good repair or the proceeds of the Mortgage Loan will be used to purchase and rehabilitate the Mortgaged Property, there is no proceeding pending or threatened for a partial or total condemnation or partition of the Mortgaged Property, and either there are no mechanic's or similar liens or claims that have been filed for work, labor or material (and no rights are outstanding that under applicable law could give rise to such a lien or claim) affecting the Mortgaged Property or such liens and claims have been insured against under the final Mortgagee Policy of Title Insurance; and
- t) As of the Closing Date, to the best of Seller's knowledge, after reasonable inspection, the mortgaged property was not affected by any condition arising from the presence of any dangerous, toxic or hazardous pollutants, chemicals, wastes, or substances; and
- u) All improvements on the Mortgaged Property, including new construction, have been or will be completed in full compliance with any applicable laws, regulations, or building codes and standards, and that the improvements comply with the laws, regulations, or building codes and standards in effect; and
- v) With respect to each appraisal delivered to Buyer in connection with a prospective Mortgage Loan, the appraisal has been prepared by an Approved Appraiser, Seller has reviewed the appraisal and found the appraisal acceptable in accordance with the standards set forth in the Wholesale and/or Bond Program Manuals, and Seller shall, upon Buyer's request, provide Buyer with any information Seller has in its possession regarding the appraiser or appraisal;
- w) No Mortgage Loan is a "high cost loan" , a "Section 226.32 loan" or a similarly designated loan as defined under HOEPA, Section 226.32 of Regulation Z or under a state, city or local "fair lending" or "predatory lending" law or regulation.
- x) In addition to those representations, warranties, and covenants specifically set forth above, Seller makes all representations, warranties, and covenants expressed by Seller to Buyer orally or in writing with respect to any particular Mortgage Loan, and expressly makes any and all additional representations, warranties, or covenants that are normally or customarily made in connection with a mortgage loan of the same type and terms as the Mortgage Loan.

6. WHOLESALE AND/OR BOND PROGRAM MANUALS: In addition to all of the obligations, agreements, representations and warranties specifically set forth herein, Seller hereby agrees to perform all obligations and agreements, make all representations and warranties, and comply with all the provisions of the Buyer's Wholesale and/or Bond Program Manuals (including any policies and procedures contained in program announcements, memoranda, or other similar communication) delivered to Seller, as may be modified or amended from time to time. Modifications and additions to the Wholesale and/or Bond Program Manuals shall become effective upon the date received by Seller. All provisions of the Wholesale and/or Bond Program Manuals are hereby incorporated into this Agreement by reference.

7. REPURCHASE OF LOANS: Seller hereby agrees to repurchase any Mortgage Loan sold to Buyer at any time during the life of such Mortgage Loan, upon the occurrence of any of the following events:

- a.) Buyer reasonably believes any violations of any rule, regulation, or requirement of the applicable agencies or entities referred to in Section 5(k), or which does not meet the Buyer's reasonable mortgage underwriting policies outlined in the Buyer's Wholesale/Correspondent Manual.

- b.) For loans not underwritten by U.S. Bank Home Mortgage or its approved designees, should the mortgagor: (1) fail to make the first payment due to U.S. Bank Home Mortgage by the due date of the next mortgage payment; (2) if at any time within the first 12 months after the loan has been purchased by the Buyer the borrower is 90 days delinquent with respect to a monthly payment. For this purpose, the borrower shall be considered 90 days delinquent on a monthly payment that is not received by the Buyer by the first day of the third month, regardless of the number of the days in the month. For example, the borrower has not made his/her January payment by the last day of March, the borrower shall be considered 90 days delinquent with respect to the January payment. The Correspondent shall not have the right to advance any funds for or on behalf of a borrower for any delinquent payment, or to otherwise make funds available to any borrower to aide or cure a default by the borrower. Payment for which the Buyer deducted funds at the time and purchase of the loan from Correspondent, shall not be considered the first payment due the Buyer .
- c.) Any false statement, misstatement, or act of omission of material fact contained in the Mortgage Loan documentation resulting from Seller's negligence or failure to exercise due diligence as disclosed by actual inspection by Buyer or its representative, or otherwise disclosed; or
- d.) Seller fails to obtain FHA insurance, VA or RHS guaranty, private mortgage insurance, or if such insurance or guaranty lapses or for any reason becomes unavailable, as a result of any negligent act or omission by Seller, or the failure by Seller to obtain such insurance or guaranty within ninety (90) days from the date of purchase; or
- e.) Buyer is required to repurchase any Loan sold by it to GNMA, FNMA, FHLMC, or any other investor, by reason of a deficiency in or omission with respect to the Mortgage Loan documents, instruments, and agreements, pertaining to any Mortgage Loan; or
- f.) Any representation or warranty made by Seller under this Agreement or the Wholesale and/or Bond Program Manuals with respect to any Mortgage Loan shall, in the reasonable opinion of Buyer, be, in whole or in part and with or without knowledge of Seller, false at the time when made by Seller or become false upon the occurrence of subsequent events; org.) Any material fraud, misrepresentation or act of omission with respect to the information submitted on a particular Mortgage Loan is determined to exist by Buyer or another investor. This includes, but is not limited to, Mortgagor or other third party fraud or misrepresentation, and any misrepresentation of Mortgagor's income, funds on deposit, or employment, or of the occupancy status of the Mortgaged Property; or h.) Seller's breach of any covenant or obligation to Buyer with respect to the Mortgage Loan under this Agreement or the Wholesale and/or Bond Program Manuals, specifically including, without limitation, Seller's obligations under Section 3, 4, or 5 hereof.

The repurchase price for any Mortgage Loan that Seller is required to repurchase from Buyer shall be an amount equal to its then unpaid principal balance of the Mortgage Loan on the date of repurchase, plus accrued interest, any servicing release premium paid, and direct expenses (including attorney's fees) incurred by Buyer for any actions taken by it concerning, as a result of, or in connection with, any of the events or circumstances set forth herein as cause for repurchase. Buyer's exercise of its right to have Seller repurchase any Mortgage Loan hereunder shall be in addition to, and not in lieu of, any other rights or remedies which Buyer may have against Seller hereunder or under applicable law.

8. INDEMNIFICATION: Seller shall protect, indemnify, and hold Buyer harmless from and in respect to, any and all losses, liabilities, reasonable costs, and expenses (including attorneys' fees) that may be incurred by Buyer with respect to, or proximately resulting from any breach of, any representation, warranty, or covenant of Seller hereunder. Buyer shall be entitled to rely upon Seller as assembler and preparer of all Mortgage Loan documents, and is under no duty whatsoever to investigate or confirm any of the information set forth therein as to its honesty, accuracy, or completeness. Seller hereby agrees to indemnify and hold Buyer harmless from any claim, loss or other damage to Buyer including reasonable attorneys fees resulting in whole or in part from any inaccuracy or incompleteness in the Mortgage Loan documents or any act or omission by Seller, its agents and employees, including but not limited to failure to comply with applicable state, federal and local statutes or regulations. To the extent Seller, its agents or employees, commits an actual wrong, or makes some error or omission in the preparation of any Mortgage Loan or its documents and as a result thereof, and based thereon, Buyer commits an act or omission for which it becomes liable to the Mortgage(s) or any third party and/or a claim or cause of action is instituted against Buyer, Seller shall and hereby agrees to indemnify and hold Buyer harmless from any such loss or damage, including reasonable attorneys fees, resulting therefrom.

9. REFUND OF SERVICE RELEASE PREMIUMS:

- a) If any Mortgage Loan is prepaid within six (6) months following the date of purchase by Buyer, Seller shall refund to Buyer all service release premiums received from Buyer with respect to that Mortgage Loan.
- b) If any Mortgage Loan, underwritten by Seller, becomes delinquent on any of the first three (3) scheduled monthly payments due Buyer, and is not brought current by the borrower within 90 days of such delinquency, Seller shall refund to Buyer all service release premiums received from Buyer with respect to that Mortgage Loan plus an indemnification fee of \$1,000 on conventional loans and \$2,000 on government loans.

10. NOTICES: Any notice provided for herein shall be sufficient if sent by first class United States mail, postage prepaid, addressed as follows:

If to Buyer: U.S. Bank Home Mortgage.
17500 Rockside Road
Bedford, Ohio 44146
Attn: **CSR**

If to Seller: **COMPANY NAME**

Either party may change its address for purposes hereof by giving notice to the other party.

11. FINANCIAL STATEMENTS AND RIGHT TO AUDIT: Seller agrees to provide annual audited financial statements, to Buyer within ninety (90) days after the close of its fiscal year prepared by independent certified public accountants in accordance with generally accepted accounting principles. Seller will also submit copies of current Mortgage Licenses (where applicable) and a copy of a current Fidelity Bond and E & O Insurance Policy. If Buyer is the Sponsor of the Seller under the FHA Loan Correspondent program, Seller agrees to allow Buyer access to their office facilities and loan records during normal business hours for an on-site compliance audit in accordance with HUD quality control requirements.

- 12. INSURANCE:** Seller shall maintain in full force Errors and Omissions Insurance and a Fidelity Bond, Mortgage Banker Bond or Mortgage Originator Policy in such amounts as required by HUD or as Buyer may reasonably require to indemnify it from any loss or damage incurred in connection with this Agreement. Buyer must be named as a “loss payee” and must have the right to file a claim directly with the insurer if Seller fails to file a claim for a covered loss that Buyer incurs. The insurer must agree to notify Buyer at least 30 days before it cancels, reduces or modifies the Seller’s coverage for any reason or within 10 days after it receives a request from Seller to cancel or reduce any coverage.
- 13. RELATIONSHIP OF THE PARTIES:** Buyer and Seller hereby agree that neither this Agreement nor any purchase of Mortgage Loans pursuant hereto shall constitute any agency relationship, legal representation, joint venture, partnership or employment. Buyer and Seller agree that neither party is in any way authorized to make any contract, agreement, warranty, or representation, or to create any obligation, express or implied, on behalf of the other.
- 14. EVENTS OF DEFAULT:** Each of the following shall constitute an Event of Default on the part of Seller under this Agreement: (i) any breach by Seller of any of Seller’s representations, warranties, or covenants set forth in this Agreement or the Wholesale and/or Bond Program Manuals; (ii) the failure of Seller to perform any of its obligations under this Agreement or the Wholesale and/or Bond Program Manuals; (iii) the occurrence of any act of insolvency or bankruptcy concerning Seller; (iv) Seller’s failure to meet any capital, leverage, or other financial standard imposed by any applicable regulatory authority, warehouse lender, or in Buyer’s sole opinion, any material adverse change occurs in the financial condition of Seller; (v) any federal or state regulatory authority or licensing agency shall cancel, rescind, or fail to renew Seller’s license or institute any action against Seller for fraud or criminal conduct.
- 15. RIGHT OF OFFSET:** Buyer shall have the right to deduct any penalties, fees, taxes, or other charges or obligations of any kind owed by Seller to Buyer from the amount to be paid for any Mortgage Loan purchased by Buyer hereunder.
- 16. ENTIRE AGREEMENT:** This Agreement and the Wholesale and/or Bond Program Manuals contain the entire agreement of the parties with respect to the subject matter hereof, and there are no representations, inducements, or other provisions other than those expressed in writing and included herein. All changes, addendum, additions, or deletions to this Agreement must be made in writing and signed by each of the parties hereto. This Agreement restates, and supersedes any and all prior Mortgage Purchase Agreements between the parties.
- 17. SURVIVAL OF PROVISIONS; SEVERABILITY:** All of the covenants, agreements, representations and warranties made herein by the parties hereto shall survive and continue in effect after the termination of the Agreement or the consummation of the transactions contemplated hereby. Any provisions of the Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidation of the remaining portions hereof or affecting the validity or enforceability of such provision in any other jurisdiction. This Agreement may be executed in counterparts, all of which taken together shall constitute one and the same instrument.
- 18. ASSIGNMENT:** This Agreement may not be assigned or transferred by Seller without the prior written consent of Buyer.

19. AMENDMENT/TERMINATION: Buyer shall have the right to amend this Agreement with written notice to the Seller. At Buyer's request, Seller shall acknowledge changes to the Agreement in writing, but Seller's failure to provide written acknowledgment of any amendment shall not impair the enforceability of such amendment. This Agreement may also be terminated with respect to future purchases of Mortgage Loans by either party at any time by giving written notice of termination to the other party. Upon the occurrence of any Event of Default as described in Paragraph 14(i), 14(ii), 14(iv) or 14(v) hereof, Buyer may either terminate this Agreement upon notice to Seller or, without affecting any other rights or remedies available to Buyer under this Agreement or at law or in equity, immediately suspend all registrations and lock-ins and may refuse to fund any or all Mortgage Loans, pending the cure, to Buyer's satisfaction, of such Event of Default. Upon the occurrence of an Event of Default under Paragraph 14(iii), this Agreement shall terminate automatically. Termination of this Agreement shall not in any respect change, alter, or modify the obligations of Buyer and Seller with respect to Mortgage Loans that have been purchased by Buyer from Seller prior to the date of such termination.

20. GOVERNING LAW; INTERPRETATION: It is mutually understood and agreed that this Agreement shall be governed by the laws of the State of Ohio as to both interpretation and performance. Ohio courts shall retain exclusive jurisdiction for disputes arising under this Agreement. All terms of this Agreement shall be construed and interpreted according to their plain meaning and no term shall be more strictly construed against Buyer merely because Buyer has drafted this Agreement.

21. ACCEPTANCE: This Agreement shall become binding upon acceptance and execution by Buyer.

22. WHOLESALE LENDING APPRAISAL REQUIREMENTS:

U.S. Bank Home Mortgage allows correspondents and brokers to approve, select and review the residential appraisers they use without review and approval of the individual appraiser by U.S. Bank Home Mortgage. The correspondent is required to perform due diligence in its selection, review and quality control of selected appraiser. Correspondents and brokers must submit an Appraisal Policy in accordance with requirements set forth below.

A. Correspondent Policy Checklist

- 1.) All Correspondents and brokers must have an appraisal policy. The policy should be reviewed and approved by its Board of Directors on an annual basis, if applicable.
- 2.) The appraisal policies for any correspondent granted delegated underwriting approval must state that:
 - i. Appraisers must be licensed in the state where they practice
 - ii. All appraisals must be completed in accordance with FIRREA and regulatory requirements
 - iii. Appraisals must be completed in accordance with the Uniform Standards of Professional Appraisal Practice
 - iv. Appraisals performed by the correspondent's approved appraisers must be subject to quality control procedures, audit, review and enforcement by the correspondent.
- 3.) The appraisal policies for all other correspondents and brokers not having delegated underwriting approval must state that:
 - i. Appraisers must be licensed in the state where they practice
 - ii. All appraisals must be completed in accordance with FIRREA and regulatory requirements
 - iii. Appraisals must be completed in accordance with the Uniform Standards of Professional Appraisal Practice

B. Approval Procedure

- 1.) The Manager of Wholesale lending must review all correspondent and broker appraisal policies for contents listed in 2. i.-iv. above and formally initial and place it in the correspondent or broker file to evidence the review and approval process.
- 2.) After initial approval, on an annual basis, an updated Appraisal Policy must be received from the correspondent or broker and reviewed for changes by the Managr of Wholesale Lending. The updated version will replace the current version in each Correspondent or borker file. If the correspondent or broker indicates that there have been no revisions made to their policy, a letter from the correspondent or boker to U.S. Bank Home Mortgage with a statement is acceptable. The letter will br initialed by the Manager of Wholesale Lending and added to the file.

C. U.S. Bank Home Mortgage, MRBP Division

- 1.) This division will require that all loans purchased involving Bond Programs with FHA/VA insurance use only appraisers that are on the FHA Appraiser Panel or be assigned by VA.
- 2.) This division will require for conventional loan Bond Programs (without FHA/VA insurance) that all new correspondents when signed up and existing correspondents when their agreement is renewed each year shall follow the procedure cited in A and B above.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

Seller: **COMPANY**

Buyer: **U.S. Bank Home Mortgage**

By: _____

By: _____

Name: _____

Name: **CSR**

Title: _____

Title: **TITLE**