



Memo: 02/15/12-Com

To: All Currently Approved Correspondent/ Broker Partners of Crescent Mortgage Company

RE: New Correspondent/ Broker Agreement

The Office of Thrift, Comptroller of the Currency, Federal Reserve System and Federal Deposit Insurance Corporation issued "Interagency Guidance" regarding protecting sensitive customer information and managing third party relationships. To ensure all of our valued customers have compliant agreements up to date including recent promulgations of regulations Crescent Mortgage Company has updated our Broker/ Correspondent agreement. The additional content added to the agreement gives clarity regarding Crescent's dual representations and the correspondent/broker specific compliance functions or activities. These changes will ensure you have the required vendor due diligence documentation in your vendor file. The revised agreement includes the additional sections:

Confidentiality and Security

- Gramm-Leach-Bliley Act (GLBA), Interagency Guidelines Establishing Information Security Standards, financial privacy regulations and Consumer Financial Protection Bureau regulations.
- Ownership of Customer Data
- Incident Response

Regulatory Compliance

- Crescent agrees to maintain compliance with all federal, state, and local laws as well as regulations promulgated by supervisory agencies including the Federal Reserve, Federal Deposit Insurance Corporation, and Federal Financial Institutions Examination Council.

You will find there has not been additional recourse or risk of indemnification placed upon your institution in our new Correspondent/ Broker agreement. Rather, the changes made are to ensure that your institution and Crescent Mortgage Company are mutually compliant with the most current rules and regulations that govern our institutions and industry.

Please review the new Correspondent/ Broker agreement. Once you have executed it, you may email to agreements@crescentmortgage.net. Once received, Crescent Mortgage Company officials will execute the agreement and forward you the counter-signed document for your records. All agreements must be received by Crescent Mortgage Company no later than **3/31/2012**.

Should you have any questions, please contact your Crescent Mortgage Company Account Executive.

A handwritten signature in blue ink, appearing to read "Fowler C Williams".

Fowler C Williams, CMB
President

Crescent Mortgage Company
5901 Peachtree Dunwoody Road
Building C, Suite 250
Atlanta, GA 30328
800.851.0263



CORRESPONDENT/BROKER AGREEMENT

This Correspondent/Broker Agreement, effective _____, (“Agreement”) is between Crescent Mortgage Company (hereafter referred to as “Crescent”) located at 5901 Peachtree Dunwoody Rd NE, Building C, Suite 250 Atlanta, GA 30328 (hereafter referred to as Crescent) and _____ (hereafter referred to as “Correspondent/Broker”).

The purpose of this agreement is to establish an arrangement under which Crescent will purchase and/or table fund Conventional, Rural Housing, FHA, VA or Jumbo mortgage loans originated by Correspondent/Broker.

DEFINITIONS:

1. Correspondent- Shall mean the originating lender that is licensed or registered as a mortgage lender and that uses their own funds at settlement of a loan.
2. Broker- Shall mean the intermediary who originates loans and brings borrowers and lenders together for the purpose of loan financing for the borrower.
3. Confidential Information- Shall mean all proprietary information of either party, including, without limitation, data, program material, procedures, customers, financial data and non-public customer information.

The following provisions apply to all sections of this Agreement.

CORRESPONDENT/BROKER PROVISIONS:

1. Correspondent/Broker will take loan applications, order, receive and deliver to Crescent all credit documents necessary to make a credit decision.
2. Correspondent/Broker will comply with Agency Appraisal Independence and USPAP. All loans funded by Crescent require that Crescent order the appraisal. Correspondent customers may submit to Crescent, in writing, their policies and procedures for ordering Conventional and FHA appraisals in accordance with the Agency and FHA Appraisal Independence requirements. Appraisal Independence policies and procedures require prior approval by Crescent.
3. Correspondent/Broker will submit a complete credit package, containing all required federal and state disclosures for loans to be eligible for submission to Crescent’s underwriting department.
4. Correspondent/Broker represents and warrants that all loans submitted to Crescent shall be loans originated by full-time employees of the Correspondent/Broker. Correspondent/Broker represents and warrants that to the best of Correspondent’s/Broker’s knowledge and belief, all documents and instruments submitted by Correspondent/Broker in connection with each loan are in every respect valid and genuine. Correspondent/Broker further represents and warrants that to the best of Correspondent’s/Broker’s knowledge and belief all information (credit or otherwise) submitted to Crescent is true and accurate. Correspondent/Broker represents and warrants that it has taken all reasonable due diligence to ensure loan documentation submitted to Crescent for use in making a credit decision is valid and accurate.
5. Correspondent/Broker represents and warrants that all personnel involved in the origination or processing of residential mortgage loans are adequately trained and licensed or registered to perform these duties.

6. Correspondent/Broker agrees to completely execute and deliver, to all borrowers or persons holding an interest in title, all disclosures required to comply with all federal, state, or local municipality regulations. These regulations include but are not limited to Regulation Z, Regulation B and Regulation C of the Federal Reserve board and any other or future laws or regulations promulgated by applicable Federal or State agencies and authorities. This includes, but is not limited to RESPA, HMDA, MDIA, UDAAP, Appraisal Independence, the Truth-in-Lending Act (including right of rescission requirements), Equal Credit Opportunity Act, Fair Credit Reporting Act, Fair Lending, and The Flood Disaster Protection Act. Correspondent/Broker represents and warrants that it will fully comply with all such laws and regulations. Crescent recognizes that some state laws may prohibit certain licensees from providing certain federal or state disclosures and the Correspondent/Broker represents and warrants that it is familiar with state disclosure requirements, where applicable.
7. Correspondent/Broker represents and warrants that it complies with all federal, state and local regulations and laws.
8. Correspondent/Broker represents and warrants that its compensation arrangements do not encourage loan originators to directly or indirectly steer borrowers into higher cost products.
9. Correspondent/Broker represents and warrants that it maintains policies and procedures to ensure compliance with Fair Lending requirements and those policies and procedures adequately prohibit Fair Lending violations, including but not limited to discrimination based on a prohibited basis in any aspect of a credit transaction or in a real estate related transaction.
10. Correspondent/Broker represents and warrants that it maintains disaster recovery and contingency plans.
11. Correspondent/Broker agrees to cooperate with Crescent in connection with Crescent's Quality Control Program whereby the accuracy of credit and property documentation is verified.
12. Correspondent/Broker recognizes that Crescent intends to rely on Correspondent/Broker rate lock submission requests and will make binding commitments in reliance thereon. Correspondent/Broker understands and agrees that actual delivery of the loans under each lock-in commitment is the essence of the Agreement and is mandatory if the loan closes. If the loan is closed and not delivered to Crescent, the Correspondent/Broker will pay a non-delivery fee of 2% of the principal balance of the locked-in loan.
13. All loans are to be registered or locked through Crescent's Secondary Marketing Department. If the lock-in period expires prior to closing, the loan must be closed at the lower of market or initial lock-in price. Correspondent/Broker will be required to refund, in whole, any premium paid by Crescent to Correspondent/Broker if Correspondent/Broker refinances the original loan within 90 days of loan closing.
14. Correspondent/Broker warrants that no loan submitted to Crescent constitutes a "high cost" or predatory loan as defined under any federal, state, or local law.
15. Section 6050H of the United States Internal Revenue Code and the regulations promulgated there under (collectively, the "Reporting Requirements") require an information return using Form 1098 to be made to the United States Internal Revenue Service, and a statement to be furnished to Payer of Record (as defined in the Reporting Requirements), in connection with the Transaction. Correspondent/Broker desires to designate Crescent as the "Reporting Person" (as defined in the Reporting Requirements) with respect to the Transaction as permitted by the applicable Revenue Procedure.
16. Correspondent/Broker agrees to provide or ensure Correspondent/Broker's closing agent provides prior to Crescent funding a loan, a specific insured-closing letter naming Crescent Mortgage Company as the insured. Correspondent loans must name Crescent Mortgage Company and the correspondent as the insured parties. The insured closing letter must be from a Crescent Mortgage

Company approved title company. Lists of approved title companies are available on Crescent's website.

17. Correspondent/Broker agrees to provide Crescent with copies of current financials that are requested by Crescent.
18. Correspondent/Broker acknowledges and agrees that Crescent may require annual certifications that include but are not limited to annual certifications required for Correspondent/Broker acting as a FHA Sponsored Originator and certification that Correspondent/Broker retains active business and state licenses, where applicable."

CRESCENT MORTGAGE COMPANY PROVISIONS:

1. Crescent will select the mortgage insurance company on loans requiring mortgage insurance.
2. Declination/Adverse Action notifications as required by ECOA will be delivered to the applicant(s) by Crescent, if a Crescent underwriter makes the credit decision.
3. Upon completion of the review, either a representative of Crescent will visit the prospective Correspondent/Broker or your staff will be invited to Crescent's office for a review of underwriting, closing, secondary marketing and quality control procedures.
4. Crescent's quality control department will audit a minimum of the first five closed loans submitted to Crescent by the Correspondent/Broker and a minimum of 10% of closed loans will be audited on an ongoing basis. Enhanced quality control audits are performed on loans closed under an FHA "Sponsored Originator" relationship and on Early Payment Defaults.
5. Crescent will monitor all loans locked in by a Correspondent/Broker. Crescent will track and analyze the number and dollar amount of lock-ins, product type, loan-to-values, approvals, rejects, incompletes, and withdrawals. Delinquency information will be monitored on each Correspondent/Broker.

MUTUAL REPRESENTATIONS, WARRANTIES AND CONVENANTS:

Crescent and Correspondent/Broker each hereby represent and warrant to the other that:

1. Neither the delivery of the "Agreement" nor consummation of transactions contemplated by the "Agreement" will conflict with or result in a breach or default under any instrument or agreement to which the Crescent or Correspondent/Broker is a party.
2. There are no pending or threatened suit, action, or proceeding against Crescent or Correspondent/Broker, its owners, officers, directors that would prevent the execution, delivery or performance of the "Agreement."
3. Neither is a party to or bound by any agreement or subject to or in violation of any law or order that materially or adversely affects or may affect in the future the ability of Crescent or Correspondent/Broker to perform its obligations under the "Agreement."

COMPLIANCE PROVISIONS:

1. CONFIDENTIAL AND INFORMATION PROTECTION:

Correspondent/Broker and Crescent have a responsibility to its customers and other consumers to keep customer information strictly confidential. Each of the parties hereby agrees that its representatives, consultants and independent contractors will not disclose confidential information unless needed to perform the services and duties of this Agreement. Each party will treat confidential

information supplied by either party with no less care than it employs for its own confidential information of a similar nature that it does not wish to disclose. The Correspondent/Broker and Crescent acknowledges that they are required to comply and do comply with the information security standards required by the Gramm-Leach-Bliley Act (15 U.S.C. 6801, 9805(b)(1)) and the regulations issued thereunder (12 C.F.R. Part 40) and with other statutory, legal and regulatory requirements regarding privacy laws. The Correspondent/Broker and Crescent acknowledge that it maintains an internal Security Information Program and that its employees receive training and continued training related to the importance of safe guarding confidential information.

2. **OVERSEEING SERVICE PROVIDERS AND THIRD PARTY RISK :**

Pursuant to Interagency Guidelines Correspondent/Broker and Crescent represents and warrants that a clearly defined system of risk management controls are in place and that management has sufficient controls and oversight to monitor activities of third party vendors. Correspondent/Broker and Crescent agree to take all required measures to restrict its Users to the same requirements hereunder. Each party agrees that it and each User shall dispose of non-public, personal information, including, but not limited to, any consumer reports, in a process to ensure that non-public, personally identifiable information cannot be thereafter retrieved from either a paper copy or electronically. Both parties grant either party or an agent of each party, the right to monitor and audit compliance with the foregoing. Either party must give reasonable notice of audit and audit must be performed on-site at the party's primary business office.

REPORTING:

1. Correspondent/Broker and Crescent agree to provide complete and prompt notification once it has become aware of an incident of unauthorized access to sensitive customer information.
2. Correspondent/Broker and Crescent represent and warrant that appropriate actions, including, but not limited to investigation of cause of information security breach, reporting to appropriate law enforcement and notification to customer when warranted are included in its vendor/third party risk policy and procedures.
3. Correspondent/Broker agrees to notify Crescent within 30 calendar days of:
 - (a) Any change in management or ownership;
 - (b) Any material regulatory or administrative investigations or actions.

LIABILITY:

This Agreement may be terminated by Crescent without notice, and Correspondent/Broker would be required to repurchase loan or make Crescent whole for losses for any loan Crescent has determined evidence of fraud or misstatement of material fact in the origination or closing of a loan that the Correspondent/Broker either had knowledge of, or should have had knowledge. Correspondent/Broker agrees that "repurchase" payoff will be calculated at current unpaid principal balances and may include delinquent accrued interest and reasonable costs associated with property maintenance, if loan is in foreclosure or an REO. Correspondent/Broker agrees to submit repurchase amount or make whole funds to Crescent within 45 calendar days of receipt of demand notice and supporting documentation.

TERMS AND TERMINATION:

Either party upon written notice may terminate this Agreement. The termination will be effective immediately upon written notice. If the Correspondent/Broker will have in its possession any of Crescent's data, records, or other resources, the Correspondent/Broker shall return such data or records upon termination or ensure secure disposal of confidential information. All covenants, agreements,

representations, and warranties made by Correspondent/Broker hereunder shall survive the termination of this "Agreement" and shall remain in full force and effect. All registrations and lock-ins in process at the time of termination will remain valid until any commitments in place are completed or rate lock expires. This agreement is non-exclusive to either party.. Written notifications must be delivered to Crescent's main office located at 5901 Peachtree Dunwoody Road, Suite 250, Building C, Atlanta, Georgia 30328, C/O President or COO. Written notification may be satisfied by certified mail.

OWNERSHIP AND LICENSE:

Correspondent/Broker will at no time represent that it is acting as an agent of Crescent or utilize Crescent's name, logo, trademark or other copy written material except to the extent that is specifically authorized to do so.

TRANSFER:

Correspondent/Broker may not assign or transfer the "Agreement."

ENTIRE AGREEMENT:

This "Agreement", including the addendums hereto, constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes and cancels all prior agreements between the parties, relating to the subject matter. In cases of inconsistencies between this Correspondent/Broker "Agreement" and the addenda, the terms of the addenda control.

ACKNOWLEDGEMENT:

Correspondents/Brokers and the person executing this Agreement are duly authorized and that doing so does not violate any of the entity's organizational documents, any law or order.

This Agreement shall be governed by, and construed and enforced in accordance with, applicable Federal law and the laws of the State of Georgia.

CORRESPONDENT/BROKER

CRESCENT MORTGAGE COMPANY

By: _____
Signature of Authorized Officer

By: _____
Signature of Authorized Officer

Name: _____
Name & Title of Authorized Officer

Name: _____
Name & Title of Authorized Officer

Attest: _____

Attest: _____

Date: _____

Date: _____