

Mortgage Broker Agreement

This Mortgage Broker Agreement (hereinafter referred to as "Agreement") is entered into this _____ day of _____, 2019, by and between _____ (hereinafter referred to as "Broker") and Monroe Funding Corp (hereinafter referred to as "Lender").

Lender is in the business of originating, processing, funding, closing, and servicing loans secured by real estate. Broker is a mortgage loan broker and desires to submit loans to Lender from time to time for consideration by Lender for funding. Lender and Broker ("Party or Parties") wish to establish a nonexclusive relationship whereby Broker submits loan packages ("Loan" or "Loans") to Lender on behalf of Broker's clients ("Borrower" or "Borrowers") for possible funding. In consideration of the mutual covenants and conditions contained herein and for other good and valuable consideration, the Parties agree as follows:

- 1. Loan Submission and Approval** – Subject to the terms, conditions and limitations contained in this Agreement, Broker agrees to submit, and Lender agrees to review Loans. Broker acknowledges and agrees that the decision to make or not make any Loan is made exclusively by Lender in its sole and absolute discretion. Broker shall not represent that Lender has approved or will approve any Loan until Broker is so informed by Lender in writing. All Loans shall close in Lender's name. Lender is under no obligation to accept any minimum number of percentage of loans, or any loans at all. Lender reserves the right to decline any loan application or credit request that Lender deems, in its sole and absolute discretion, as "predatory" or as not having any reasonable benefit to the Borrower.
- 2. Status of Broker** – Nothing in this Agreement shall be construed as making Broker an agent, employee, representative, joint venture, or partner of Lender. Broker will not hold itself out as such, nor will it use Lender's name in any advertising or solicitation without Lender's prior written consent. Broker shall be deemed to be acting as an independent contractor, agent, and representative of the loan applicant, and not that of the Lender. During the term of this Agreement, Broker is responsible for, and shall pay in full, all costs and expenses directly or indirectly incurred by Broker in performing under this Agreement. Broker will not in any way represent or imply to any Borrower that Broker is in any way affiliated with or connected to Lender, including any representation that Broker's office is an office or branch of Lender, or that Broker has any power or authority to bind Lender in any manner whatsoever. No statement or representation of Broker shall be published by an authorized employee of Lender.
- 3. Compensation to Broker** – Lender agrees to compensate Broker in an amount equal to _____ percent (____%) of the loan amount or \$_____ at closing but only if a closing takes place. No fee shall be owed to Broker on any proposed loan that is not funded and closed. Broker waives and relinquishes any and all claims

against Lender for professional services rendered by the Broker to the Borrower. It is agreed and understood that Lender is relying on the accuracy of the information submitted by Broker. Should Lender determine the information was not submitted in good faith, Lender reserves the right to not accept any and all files submitted incorrectly or that are otherwise not in compliance with applicable laws and regulations.

4. **Loan Program** – Lender will publish a list of program guidelines from time to time, which may include provisions for eligible property types, loan limits, loan-to-value (LTV) ratios, interest rates and points, and other requirements, and may also discontinue loan programs at any time, subject to this Agreement.
5. **Broker's Representations and Warranties** – Broker represents and warrants to Lender, which representations and warranties shall be deemed to be made as of the date of this Agreement, as of the time any Loan is submitted to Lender, and as of the date the Loan is funded by Lender, that:
 - 5.1 **Accuracy of Loan Information** – None of the statements or information contained in any Loan are false or erroneous, or omit material facts necessary to make such statements or information complete, accurate, and understandable.
 - 5.2 **Absence of Claims** – Except as previously disclosed by Broker to Lender in writing, there are no pending or threatened suits, actions, arbitrations, or legal, administrative, or other proceedings, or governmental investigations (including allegations of fraud by another lender) against Broker's business, assets, financial condition, or reputation.
 - 5.3 **Duly Licensed** – Broker is qualified to do business and possesses all necessary registration, licenses, and permits from all applicable local, state, and federal authorities, where such licensing is required, to engage in the activities contemplated by this Agreement. Broker will maintain these licenses, permits and/or registrations in full force and effect during the term of this Agreement. Broker agrees to notify Lender in writing in the event any notification of suspension, revocation, expiration, or other termination of license or registration. Broker further represents all of Broker's Mortgage Loan Originators ("MLOs") are properly licensed and registered with the National Mortgage Licensing System ("NMLS") and are in compliance with all other applicable provisions of the S.A.F.E. Mortgage Licensing Act.
 - 5.4 **Ownership and Affiliated Businesses** – Except as otherwise disclosed to Lender in writing before the funding of any loan, Broker, its service corporations, and other affiliated entities, have no direct or indirect ownership interest in any property acting as security for a loan, or in the loan proceeds themselves. Broker is required to disclose to Lender in writing any affiliated entities. Lender does not permit the use of affiliated companies to provide settlement services in the closing of any mortgage loan. Broker will not use any affiliated company in connection with any loan submitted to Lender and no fees will be paid to an affiliate through closing.
 - 5.5 **Compliance with Laws** – Broker, its employees, and its agents shall comply

with all federal, state, and local laws, rules, and regulations which apply to Broker, including without limitation, the Equal Credit Opportunity Act (“ECOA”), Fair Credit Reporting Act (“FCRA”), Fair Housing Act, Gramm Leach Bliley Act (“GLBA”), Home Mortgage Disclosure Act (“HMDA”), Real Estate Settlement Procedures Act (“RESPA”), S.A.F.E. Mortgage Licensing Act, Truth-In-Lending Act (“TILA”), and all implementing regulations, regulations addressing Anti-Money Laundering and Bank Secrecy Act as applicable, regulations addressing advertising requirements including those addressing unfair, deceptive or abusive acts or practices (“UDAAP”), regulations addressing information and cybersecurity and consumer privacy requirements, and guidance from the Consumer Financial Protection Bureau (“CFPB”) regarding third party vendor oversight. Lender retains the right to request and review such policies and procedures at any time.

- 5.6 Right to Submit a Loan Package**—Broker has the exclusive right and authority to submit on behalf of each Borrower each Loan to Lender, and such right to submit is not subject to any other person’s or entity’s interest, or to an agreement with any other person or entity.
- 5.7 Loan Application Process** – Broker will interview each loan applicant in order to complete all necessary application forms and related documents, and to acquaint the Borrower with the contents of such documents and Borrower’s rights and responsibilities hereunder. Broker will obtain from each Borrower, and deliver to Lender, a completed loan package (“Loan”) consisting of the completed loan, credit, and other applications. No person or entity, other than Broker, its agents, and its employees are involved in the taking or processing of each Loan.
- 5.8 Capacity to Enter Agreement** – Broker has all licenses necessary to conduct its business as it is now being conducted, is licensed or exempt from licensing, qualified to transact business, and is in good standing in the state in which the property to be encumbered in connection with the Loan(s) is located. Broker has the power and authority to own its assets and to carry on its business as it now being conducted, and is in compliance with all applicable laws governing the business of mortgage brokering. If Broker is a corporation, it is duly organized, validly existing, and in good standing under the laws of the jurisdiction in which it is organized. If Broker is a sole proprietor or partnership, Broker is validly registered to do business under the name set forth in this Agreement.
- 5.9 Basis for Broker Fee** – All fees and compensation paid to Broker in connection with each Loan, whether paid by the Borrower or Lender, are reasonably related to the fair market value of the goods or facilities actually furnished or services actually performed, and are not compensation for the referrals of business, splits of fees or unearned fees.
- 5.10 Non-Solicitation Agreement** – Notwithstanding anything in this Agreement to the contrary, Broker shall not, within nine (9) months of the funding of a loan, on behalf of itself or any party, solicit or otherwise conduct business with any Borrower whose mortgage Loan closes pursuant to this Agreement for any

transaction relating to the mortgage Loan or any other loan, whether held by Lender or not, which is also secured by the premises securing the mortgage Loan and while Lender, including its subsidiaries, affiliates, and assignees holds or services the mortgage Loan, unless it obtains the express written consent of Lender.

- 6. Lender's Representations and Warranties** – Lender hereby represents and warrants to Broker that Lender is a corporation, duly organized, validly existing and in good standing under the laws of the State of Florida and has all licenses necessary to conduct business as it is now being conducted, and is licensed and qualified to transact business and is in good standing in the state in which the property to be encumbered in connection with the Loans is located. Lender has the power and authority to own its assets and to carry on its business as it is now being conducted and is in compliance with all applicable laws and regulations governing the business of mortgage lending.
- 7. Termination of Agreement** – This Agreement is unlimited in its duration, but may be terminated at any time by either Lender or Broker. Such termination shall be effective upon receipt of written notice of termination, but in no event later than five (5) business days following the issuance of written notice. The obligations of the parties with respect to Loans that have been submitted to Lender prior to the receipt of such written notice of termination shall survive the termination of this Agreement. Lender may terminate this Agreement effective immediately without notice to Broker in the event of a breach by Broker, its agents, or its employees, of any Broker obligations, representations or warranties contained in this Agreement.
- 8. Governing Law and Arbitration** – This Agreement is governed by and shall be construed in accordance with the laws of the State of Florida and any controversy, claim or breach of this agreement, which is not settled by the parties, shall be settled either by arbitration or the Court of proper jurisdiction.
- 9. Attorney Fees** – If any legal action or other proceeding is brought to enforce 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 are entitled to reasonable attorney's fees and other costs incurred in that action or proceeding, in addition to any other relief to which it or they may be entitled.
- 10. Non-Exclusive Relationship** – In its sole discretion, Lender may use other loan brokers, and Broker may submit loan applications to lenders and brokers other than Lender. Nothing contained herein shall be construed as granting Broker any exclusive right, whether with respect to time, territory or subject matter.

AS TO LENDER:

AS TO BROKER:

Monroe Funding Corp.

By: _____
Doug Williams, its President

By: _____
_____, its _____

Dated: _____

Dated: _____