

NHSA-LOCAL PARTNER BROKER APPROVAL POLICY

A. Policy Overview

NHSA's Broker Approval Policy and Procedures will streamline the process of approving Brokers. We will renew the Broker relationship on an annual basis. Broker relationships are defined as mortgage loan brokers who process and originate loans that are submitted to NHSA for loan approval, will be funded in the Broker's name, and will be sold to NHSA. All Brokers must be approved before loans are funded.

B. Broker Criteria

The Broker must meet the following criteria:

- Be properly licensed and authorized to originate and broker loans that meet NHSA product line and underwriting requirements.
- Have been in business for at least two years. In cases of newer NWOs, principals should have at least five years experience in mortgage lending.
- Have a good reputation in the industry with proven references, and a high level of professionalism and strong ethical standards.
- Have a minimum net worth of \$25,000.00
- Have a "good standing" rating with all governmental licensing and revenue collections agencies, and have a public record clear of any civil or criminal judgments. A Broker whose firm has been suspended, is currently under investigation by any agency or has an open judgment in excess of \$5,000 will not be approved or may not be renewed to do business with NHSA.
- Have a personal credit profile of "A" or better for all executive officers if the corporation's credit report is not satisfactory. Past credit difficulties will be reviewed on a case-by-case basis. A letter from the Broker explaining the derogatory item(s) will be required.

C. Documentation Requirements

NHSA's Loan Department shall be responsible for preparing and approving the Broker application. Documentation needed to support the Broker may vary, but in all cases the following NHSA Broker Package items are required from applicants:

1. An original signed NHSA-Local Partner Broker Application.
2. Signed Credit Consent form to obtain Credit Bureau reports on Management of Corporation.
3. Two (2) original signed NHSA-Local Partner Mortgage Broker Agreements.
4. Resumes for the principal officers and key managers.
5. Copies of all current lending licenses or exemption certificates from states in which the Broker currently does business. The license must show the fictitious business name (if applicable). In states where applicable, corporations must have an officer's license.
6. A Corporate Resolution specifically authorizing the Broker to enter into a contract with NHSA and indicating which officers are authorized to execute agreements and other documents on behalf of the Broker. The Corporate Resolution must include the corporate name as well as its commonly known "d/b/a."
7. Current financial statements covering the last full fiscal year. Financials must be dated and signed by the principal and must be no more than 12 months old.
8. Evidence of the corporation's "good standing" in the state of formation and all states in which it currently does business.
9. A copy of the last completed audit.
10. A signed W-9 form.
11. A signed Loan Fraud Zero Tolerance form.
12. A copy of any disciplinary actions against the Broker or any of its agents, employees or affiliates within the last (5) years.