

NHSA-NWO BROKER/DU LENDER APPROVAL POLICY

A. Policy Overview

Sometimes we refer to the NeighborWorks[®] organizations that sell loans to NHSA through our e-commerce Web site as mortgage brokers, and sometimes we refer to them as DU Lenders. In order for NHSA to pledge loans to Fannie Mae, the loans must be originated by organizations that meet Fannie Mae's definition of mortgage broker. NeighborWorks[®] organizations that use DU (Desktop Underwriter) on NHSA's e-commerce site do meet that definition. As a result, we use the terms Broker and DU Lender interchangeably.

NHSA's Broker Approval Policy and Procedures will streamline the process of approving NeighborWorks[®] organizations as Brokers/DU Lenders. We will renew the Broker relationship on an annual basis. NHSA's Broker/DU Lender 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/DU Lenders must be approved before loans are funded. In situations where the NeighborWorks[®] organization's loans are funded by a lending partner in the name of the lender partner under a Lender Agreement with NHSA, the lender partner is the broker and will need to fill out the Local Partner Mortgage Broker Documents.

B. Broker Criteria

The Broker/DU Lender 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 minimum net worth of \$25,000.00
- Have a "good standing" rating with all governmental licensing and revenue collections agencies, be a chartered member of the NeighborWorks[®] network and eligible to do business with NHSA, 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.

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/DU Lender Package items are required from applicants:

1. An original signed NHSA-NWO Broker/DU Lender Application.
2. Two (2) original signed NHSA-NWO Mortgage Broker/DU Lender Agreements.
3. Resumes for the principal officers and key managers of the NWO.
4. 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.
5. A Corporate Resolution specifically authorizing the Broker/DU Lender to enter into a contract with NHSA and indicating which officers are authorized to execute agreements and other documents on behalf of the Broker/DU Lender. The Corporate Resolution must include the corporate name as well as its commonly known "d/b/a."
6. 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.
7. Evidence of the corporation's "good standing" in the state of formation and all states in which it currently does business.
8. A copy of the last completed audit.
9. A signed W-9 form.
10. A signed Loan Fraud Zero Tolerance form.
11. A copy of any disciplinary actions against the Broker/DU Lender or any of its agents, employees or affiliates within the last (5) years.