ESD Funding
Eastside Development Funding, Inc .

EASTSIDE DEVELOPMENT FUNDING, INC.

BROKER APPLICATION PACKAGE

ESD FUNDING ACCOUNT EXECUTIVE: _____

www.esdfunding.com

22441 Foothill Blvd.
Hayward, CA 94541
510-881-5547 Phone
510-881-5548 Fax

ESD Funding
Eastside Development Funding, Inc.

Dear Broker,

Eastside Development Funding Inc. (ESD Funding, Inc.) provides innovative lending solutions, which translates into responsive, accessible service by people who know their local market. We offer a full range of programs and some of the fastest response time in our industry.

Flexible financing is routine for us, as we serve borrowers with from all situations and backgrounds and with our flexible mortgage, refinancing and purchase money programs, mortgage brokers rely on us for even the biggest challenges.

Please complete and return the following information to become an approved broker with Eastside Development Funding, Inc. and contact your Account Executive if you have any questions. We look forward to a long and prosperous relationship.

SUBMISSION CHECKLIST

Review the Application Submission Checklist below. For each item that applies to your business, please provide the documentation or information requested. A complete application will assure a faster turn around time.

- **BROKER APPLICATION** – signed and completed with the applicable documentation outlined in this checklist.
- **BROKER ORIGINATION AGREEMENT**
- **RESUMES ON OWNERS, PRINCIPALS & KEY EMPLOYEES** – Please provide a resume for each principal owner, majority stockholder (persons with 10% or more of the corporate stock issued) and key staff members.
- **LENDING LICENSE (S)** – if exempt, please include the exemption letter or reference the state statute number.
- **CURRENT FINANCIAL STATEMENTS** – include copies of the current Financial Statements including Balance Sheet, certified by an officer of the company.
- **PARENT COMPANY'S FINANCIAL STATEMENTS** – (if applicable)
- **FICTITIOUS NAME FILINGS** – Filings for each state with a dba (if state requires a fictitious name filing).
- **ARTICLES OF INCORPORATION/CHARTER** – (if incorporated in other states, include Articles/Charter for those states).
- **ERRORS & OMISSIONS & FIDELITY BOND INSURANCE** – if you have a current Errors & Omissions and Fidelity Bond policy in effect, please provide a photocopy of the policy face sheet. Include the name, address and phone number of the issuing insurance company or your agent.
- **W-9 REQUEST** – Complete and sign a W-9 Form with all required information.
- **QUALITY CONTROL** – Describe or attach your company's quality control plan, which insures that loan information and documentation is accurate and complete.

After completing and reviewing your broker application, send the application with all required documentation in the Submission Checklist to:

EASTSIDE DEVELOPMENT FUNDING, INC.
22441 Foothill Blvd.
Hayward, CA 94541
Attn: Broker Approval Department

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Eastside Development Funding, Inc.

BROKER APPLICATION

22441 Foothill Blvd, Hayward, CA 94541
Telephone: 510-881-5547 Fax: 510-881-5548

APPLICATION

_____ Corporation ( )
Legal Name of Institution Partnership ( )
Proprietorship ( )
_____ Limited Liability ( )
D/b/a, if applicable Financial Institution ( )

_____ ( )_____
Address of Main Office Phone Number (Main) (800-Number, if available)

_____ ( )_____
City State ZIP Fax Number (Main)

_____ _____ _____ _____
State of Incorp. /Org. Year Est. Fed Tax ID No. /Soc Sec # Email Address (Main)

_____
If Subsidiary, Name and Address of Parent

FINANCIAL INFORMATION:

Net Worth	**Non-Conforming Volume**	**Conforming Volume**
Current $_____	$_____	$_____
2003 $_____	$_____	$_____
2002 $_____	$_____	$_____

ORIGINATION INFORMATION:

PRINCIPALS/OFFICERS:

Name	Title	Social Security #	% of Ownership
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

If Incorporated, Include Name of Corporate Secretary

REFERENCES: Please list three companies to whom you have originated production.

1) Company: _____ Contact: _____Telephone:_____

2) Company: _____ Contact: _____Telephone:_____

3) Company: _____ Contact:_____Telephone:_____

BANKING REFERENCES: (Deposit Accounts)

Bank 1) _____ 2) _____

Telephone Number: _____ _____

Type of Account: _____ _____

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MISCELLANEOUS INFORMATION:

1). Does your company have a compliance program that monitors your company's compliance with all laws, regulations and guidelines applicable to it businesses?	☐ Yes	☐ No
2). Is the Mortgage Banking/Real Estate Broker license of applicant, any owner or principal or broker of record currently in good standing?	☐ Yes	☐ No
3). Are any officers or employees excluded from the fidelity insurance or errors and omissions coverage?	☐ Yes	☐ No
4). Has your company ever been suspended from selling or servicing mortgages by an investor?	☐ Yes	☐ No
5). Is your company owned by or affiliated with a Home Improvement Company?	☐ Yes	☐ No
6). Is your company owned by or affiliated with a Title Insurance Company?	☐ Yes	☐ No
7). Is your company owned by or affiliated with a Real Estate Appraisal Firm?	☐ Yes	☐ No
8). Is your company out of compliance with any material laws, regulations, or guidelines applicable to its businesses?	☐ Yes	☐ No
9). Has any agency's, investor's, or mortgage insurer's audit in the last three years shown your company to be out of compliance with any guidelines?	☐ Yes	☐ No
10). Has your company had any material change in its financial position or ownership since the date of the financial statements provided herein?	☐ Yes	☐ No
11). Has your company ever been suspended from brokering loans or selling loans to a lender?	☐ Yes	☐ No
12). Has your company been required to repurchase any mortgage loans within the last three years?	☐ Yes	☐ No
13). Has your company or any principal filed bankruptcy or had charge-offs?	☐ Yes	☐ No
14). Is there any pending litigation with either the principals or the company?	☐ Yes	☐ No
15). Has your company or principal(s) ever done business with Eastside Development Funding Inc.?	☐ Yes	☐ No
16). Does your company have origination offices or multiple locations? If so, provide a detailed list including address, phone and contacts.	☐ Yes	☐ No

For all Yes answers on Questions 3–16 an explanation and/or appropriate documentation must be attached.

CERTIFICATIONS:

It is understood that Eastside Development Funding, Inc,.may make Inquiries and that it may, at the expense of ESD Funding, Inc, make independent background investigations on the Applicant. The undersigned declare that to the best of their knowledge, the statements set forth herein are true. ESD Funding, Inc. is hereby authorized to obtain verification from any source named herein.

Applicant: ----------
NAME OF INSTITUTION

BY NAME----------, President

SIGNATURE ---------- DATE----------

BY NAME----------, Corporate Secretary

SIGNATURE ---------- DATE----------

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Eastside Development Funding, Inc.

BROKER ORIGINATION AGREEMENT

This Broker Origination Agreement ("Agreement") is made this day of _____, 20__, by and between Eastside Development Funding, Inc., Or AKA (ESD Funding, Inc) a California Corporation ("Lender) and ---------- a ---------- ("Broker").

WHEREAS, Lender is in the business of origination loans secured by residential real property; and
WHEREAS, Broker is in the business of submitting to lenders loan application packages on behalf of its clients who are seeking loans on their residential real property;

NOW, THEREFORE, Lender and Broker enter into this Agreement for the purpose of Broker submitting loan application packages to Lender on the following terms and conditions, intending to be legally bound:

1. Nature of Lender/Broker Relationship. Broker shall prepare and submit to Lender loan applications and related information and documentation, as required by Lender's program information and procedures as communicated to Broker from time to time. Lender shall underwrite each application and, in its sole discretion, approve or decline such applications. The relationship between Lender and Broker shall be that of independent contractor; Broker is not the Agent of Lender. Broker shall have no authority, and shall refrain from representing that is have authority, to bind, or commit Lender with respect to the terms or approval of any loan application. This relationship is non-exclusive; Lender and Broker are fee to do business with any other lenders and brokers they so choose. This Agreement may be terminated by either party upon written notice.

2. Nature of Broker/Applicant Relationship. Broker, in submitting loan applications, is acting as agent for the applicant and is responsible for keeping the applicant fully informed as to the status of the application. Lender shall keep Broker informed of such status, and Broker agrees to accurately and promptly pass all such information o to the applicant. Broker, as the agent for the applicant, provides services directly to the applicant, which services will vary from applicant to applicant depending upon the applicant's individual credit and financial circumstances as well as the specific property for which financing is sought. The Broker's services shall include those set forth on Exhibit "A" attached hereto. Broker is responsible for arranging the amount of its compensation and any fees directly with each applicant, and agrees to provide this product pricing options with each applicant and shall inform the applicant of any compensation to be paid by the Lender to Broker as a result of the selection of a particular product. Broker shall update the applicant in this regard if any aspect of the applicant's loan transaction changes.

3. Approved Branches. Lender will accept application packages only from Broker's branch offices as listed on Exhibit "B" attached hereto. Broker agrees that it is fully responsible for all applications submitted by such approved branches. In the event that Broker wishes to authorize additional branches to submit applications pursuant to this Agreement, Broker shall submit to Lender an updated Exhibit "B". In the event that Broker wishes to terminate the authorization for a branch to submit applications, Broker must notify Lender in writing of such fact. Broker agrees that any application submitted by a branch which has been authorized by Broker pursuant to these provisions shall be subject to the terms of the Agreement and that Broker shall be fully liable for such application, unless and until Broker notifies Lender in writing of the revocation of such authorization.

4. Closing. Loan approved by Lender shall be closed in Lender's name on forms and by settlement agents approved by Lender. Where applicable, Broker shall ensure that an insured closing protection letter is obtained in connection with the closing of each loan. In some cases, Lender and Broker may agree that loans will be closed in the Broker's name, using funds provided by Lender at closing. Broker agrees to fully cooperate with Lender in the processing of any application submitted and, upon the reasonable request of Lender prior or subsequent to funding, perform all such further acts as may be required to effect the transactions provided for in this Agreement.

5. Broker Representations and Warranties. Broker represents and warrants as of the date of each agreement and with the submission of each application and its related documentation; (I) that it has all requisite authority to enter into this Agreement and to execute the transactions contemplated hereunder; (ii) that it has all required legal or regulatory approvals, licenses, or authorizations to conduct the business of brokering loans in all jurisdictions in which operates; (iii) that the entering into and performance under this Agreement shall not cause Broker to violate the terms of any governing organization instrument of Broker or any other instrument or agreement to which Broker is a party; and (iv) that there is no action, suit, proceeding or investigation pending or threatened against Broker which may result in a material adverse change In Broker's business or financial condition or its ability to perform under this Agreement. Broker further represents and warrants that all information regarding Broker submitted to Lender is true, accurate and complete in all respects.

6. Loan Representations and Warranties. Broker represents and warrants as to each loan application submitted to the Lender, as of the date of submission and the date of funding:

A. Broker has full right and authority to assign and transfer each loan application to Lender, not subject to any other person's interest or lien therein;

B. The application was taken and processed by Broker and such application and all documentation and information provided to Lender by Broker was produced in full compliance with all applicable Federal, state and local laws and regulations. Broker specifically acknowledges its obligations to comply with laws and regulations governing "Fair Lending".

C. All documentation and information submitted to Lender by Broker in connection with a loan application is true and correct in all material and does not fail to include any information the exclusion of which would cause such documentation to be misleading.

D. Broker and Broker's employees have not engaged in any fraudulent activity and, to the best of Broker's knowledge, no fraud has occurred by act or omission of any person in connection with the application or the processing of the application or the origination of the loan.

E. The appraisal obtained by Broker provides a bona fide market value of the property to be mortgaged and was performed by an appraiser who holds all required licenses or approvals and has no interest in the real property to be appraised and who will receive no compensation which is affected by the approval or declination of the loan application. Lender shall not be responsible for the cost of such appraisal.

7. Remedies for Branch. In the event that Lender suffers any loss or incurs any expense as the result of Broker's breach of its covenants, representations or warranties contained in this Agreement, upon written notification from Lender, Broker shall have fifteen (15) days to cure such default, and in the event that such default is not cured, or in the case of a default which cannot be cured, Broker shall immediately pay the Lender the full amount of any costs, damages, losses, expense or impairment of a loan originated hereunder may result in Lender being required to repurchase such loan from a subsequent investor, and will cause Lender to exercise certain remedies including, but not limited to, resale at a discount or foreclosure and sale of the collateral which may result in damage subject to reimbursement by Broker pursuant to this paragraph. Lender shall have full discretion to deal with such impaired loans as it sees fit so long as Lender exercises good faith in making such determinations, and shall not be required to consult with or give notice of such actions to Broker shall refund to Lender all broker compensation and fees paid by borrower or Lender whether such compensation or fees were paid through or outside of closing

8. Early Refinance. Broker agrees that it will not solicit the prepayment of any loan originated hereunder, and will not for compensation or otherwise prepared or disseminate any list of borrowers arising from applications submitted to Lender. In the event that Broker causes any loan originated hereunder to be paid off with six (6) months of the funding date due to a refinance loan arranged by Broker, Broker shall reimburse Lender for the full amount of any compensation paid by the Lender to Broker for the origination of the loan.

9. General Provisions. This Agreement, along with Lender's product guidelines, policies and procedures as provided to Broker from time to time as well as the Zero Fraud Tolerance and Fair Lending Compliance Policies, constitutes the entire agreement between the parties and supercedes any and all prior written or oral agreements between the parties as to the subject matter hereof and may not be modified or amended except in writing and signed by both parties. Broker may not assign this Agreement. This Agreement shall inure to the benefit of and be binding upon the parties hereto and Lender's successors and assigns. In the event that any provision of this Agreement is held to be invalid, the same shall not affect the validity of the remainder of this Agreement. The prevailing party in ay judicial proceeding regarding this Agreement shall be entitled to recover from the losing party its reasonable attorneys fees and out of pocket expenses incurred in connection with such dispute. This Agreement shall be governed by and construed in accordance with the laws of the State of California. This Agreement may be executed in one or more counterparts. Notices or other communication required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given upon actual delivery or upon the mailing by registered or certified mail, telecopy, courier or overnight express delivery to the address for each party set forth below or to such other address as either party shall designate in writing:

If to Lender: **EASTSIDE DEVELOPMENT FUNDING, INC.**
22441 Foothill Blvd.
Hayward, CA 94541
Attention: Broker Approval Department

If to Broker: _____

_____

_____

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by the duly authorized representatives as of the date set forth above.

EASTSIDE DEVELOPMENT FUNDING, INC.

a, California Corporation

Date: _____

By: _____

Title: _____

BROKER: ----------

_____

a,_----------__

Date: _____

By: _____

Title: _____

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EXHIBIT A
(Broker Origination Agreement)

BROKER SERVICES

In connection with submitting completed loan application packages to Lender for processing and loan approval consideration, Broker agrees to provide the following services:

1. Broker will educate prospective loan applicants ("Applicants") about the home buying and financing process and will advise Applicants about the different types of loan products available from Lender, and demonstrate how closing costs and monthly payments would vary under each product.

2. Broker will analyze Applicants' income and debt and pre-qualify Applicants to determine the maximum mortgage that Applicants may be able to afford.

3. Broker will assist Applicants in selecting a loan program.

4. Broker will discuss with Applicants the general underwriting ratios and general property underwriting guidelines of Lender.

5. After providing such counseling and pre-qualification services, Broker will assist Applicants in completing a loan application.

6. Broker will collect applicant financial information and such other related documents that are required by Lender as part of the loan application process. In the event such information is not available at time of application, Broker will work diligently with Applicants to obtain such information and promptly forward the material to Lender.

7. Broker will discuss Lender's procedures and loan pricing options available to Applicants.

8. Broker will provide Applicants with a copy of the U.S. Department of Housing and Urban Development's booklet "Settlement Costs" and a properly completed Good Faith Estimate within three (3) business days after the loan application is received or prepared in full compliance with the requirements of RESPA.

9. Broker will provide Applicants with a properly completed Truth in Lending Disclosure Statement within three business days after the loan application is received or prepared in full compliance with the requirements of Regulation Z of the Truth in Lending Act.

10. In the event Applicants express interest in applying for an adjustable rate mortgage loan, at the time the application form is provided or before the Applicants pay a non-refundable fee, whichever is earlier, Broker will provide Applicants with a copy of the Federal Home Loan Bank Board's booklet entitled "Consumer Handbook on Adjustable Rate Mortgages" and a loan program disclosure for each adjustable rate mortgage loan program for which Applicants express interest.

11. Broker will provide Applicants with all other forms, disclosures, documents that are otherwise required to be provided by Broker to Applicants under applicable local. state and federal laws, rules and regulations.

12. Broker will order a property appraisal report reflecting the bona fide market value of the subject property from an appraiser who is duly qualified, licensed and who has no financial or other interest in the transaction.

13. Broker will initiate all necessary processing related verification forms, including verifications of employment and deposit.

14. Broker will initiate requests for mortgage and other loan verifications.

15. Broker will assist Applicants in understanding and clearing credit problems.

16. Broker will provide the completed loan application package to the Lender designated branch office for loan processing. The loan application package shall contain the completed loan application form, copies of all disclosures delivered to Applicants and all other Lender required documentation.

17. Broker will maintain a "conversation log" to document all contact with Applicants from the date of application through the date of loan closing.

18. Broker will maintain contact with Applicants, builders/realtors and others involved in the transaction, as applicable, between application and closing to apprise them of the status of the application and to gather any additional information as needed to assist Lender in processing, underwriting and, if approved, closing and funding the loan.

19. In the event of loan approval, Broker will assist Lender in coordination the loan closing and obtaining any documents which may be reasonably requested by the closing and post closing departments to Lender.

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Eastside Development Funding, Inc.

Dear Mortgage Broker,

Eastside Development Funding, Inc. maintains a level of "zero tolerance" to loan fraud. We are committed to honest and accurate professional practices. As a business partner, Eastside Development Funding, Inc. requires your participation in our goals of excellence.

Wholesale loan brokers should be advised that a licensed mortgage broker bears responsibility for all actions, performed in the course of business, by his of her employees or licensees.

ZERO TOLERANCE POLICY ON LOAN FRAUD

THE SUBMISSION OF A LOAN APPLICATION CONTAINING FALSE OR MISREPRESENTED INFORMATION IS A FEDERAL CRIME.

COMMON EXAMPLES OF LOAN FRAUD

Submission of inaccurate information, including false statements on loan application(s) and falsification of documents purporting to substantiate credit, employment, deposit and asset information or personal information including identity, ownership/non-ownership of real property, etc.

- Forgery or misrepresentation of partially or predominantly accurate information.
- Inaccurate representation of occupancy or intent to maintain occupancy as agreed in the security instrument.
- Acceptance of information or documentation that is known or suspected to be inaccurate or acceptance of information that should be known to be suspected to be inaccurate. This includes:

  A. Simultaneous or processing of multiple owner-occupied loans from a single applicant where information differs on each application.

  B. Permitting an applicant or interested third party to assist with the processing of the loan. Failure of the broker to disclose and relevant or pertinent information.

CONSEQUENCES OF LOAN FRAUD

The consequences of residential loan fraud are far-reaching and expensive. Eastside Development Funding, Inc. warrants the quality of its loan production to our investors. Fraudulent loans may not be sold in the secondary market and if a loan is discovered to be fraudulent after its sale, Eastside Development Funding, Inc. could be obligated to repurchase the loan. Fraudulent loans harm our reputation and damage our relationships with investors and mortgage insurance carriers.

The consequences to those who participate in loan fraud are even more severe. Following is a list of a few of the repercussions that may be experienced:

TO THE BROKER:

A. Criminal prosecution that may result in possible fines and imprisonment.

B. Revocation of brokers' license.

C. Inability to access lenders caused by the exchange of legally permissible information between lender; mortgage insurance companies, FNMA/FHLMC, other investors, police agencies, and state and federal regulatory agencies

D. Civil action by Eastside Development Funding, Inc.

E. Civil action by applicant (borrower) and/or parties in the transaction.

F. Loss of approved broker or correspondent status with Eastside Development Funding, Inc.

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Eastside Development Funding, Inc .

TO THE BORROWER:

A. Acceleration of debt (FNMA.FHLMC Deed of Trust, revised 9/90). Item #6 states: "Borrower shall be in default if Borrower, during the loan application process, gave materially false or inaccurate information of statements to lender (or failed to provide lender with any material information) in connection with the loan evidenced by the Note, including, but not limited to, representations concerning Borrower's occupancy to the Property as a principal residence. (NOTE: Foreclosure under this section of the Deed of Trust does not require Borrower to be in "payment default". As such, the Borrower will not have the benefit of reinstatement. In order to cure the default, the Borrower must pay the loan off in full prior to the sale date of the property.

B. Criminal prosecution that may result in possible fines and imprisonment.

C. Civil action by EASTSIDE DEVELOPMENT FUNDING, INC.

D. Civil action by other parties to the transaction, such as seller, real estate agent/broker.

E. Termination of employment.

F. Forfeiture of any professional license,

G. Adverse, long-term effect on credit rating.

I have read, understand and accept the Eastside Development Funding, Inc. policy on loan fraud.

_____	_____
SIGNATURE OF BROKER OF RECORD	SIGNATURE OF PRINCIPAL OFFICER
_____	_____
BY	BY
_____	_____
DATE	DATE