

## January 2014 Broker Renewal

This year's broker renewal process will be significantly different than prior years. The changes are due primarily to increased regulatory and investor oversight requirements.

The renewal process will require:

- a new broker application with certifications and attestations added including:
  - a restatement of the officers authorized to sign for the company,
  - attestations related to license suspensions, enforcement actions and known or pending legal actions where the broker is named as a defendant,
  - attestation that the broker has implemented a companywide program to ensure the privacy of a consumer's information and has conducted annual training with all employees,
  - attestation that the broker has implemented a Third Party Vendor Management program and there they review their third party vendors on an annual basis,
  - Notification that Sierra may require proof of any attestation..
- Affiliated Relationship Questionnaire
- Third Party Fair and Responsible Lending Policy & a copy of this policy for the broker
- Request to provide all websites used by the broker and/or employees and to provide 3 examples of recent advertising conducted by the broker.
- FNMA re-distribution agreement
- W9

Renewal documentation is due by January 31, 2014. Failure to submit a signed package with all requested attachments may result in suspension of the broker's ability to broker future loans with Sierra. An extension may be granted on a case bases for financial statements only.

Financial statements for the most recent fiscal year-end, signed and dated by an authorized individual are due no later than March 31, 2014 for brokers with a fiscal year ending 12/31/13. . The financial statement must reflect that the broker meets and/or exceeds minimum state net worth requirements or a minimum of \$10,000. Financial statements must be signed and dated by an authorized individual.

Documents should be sent to the Broker email account at [Brokers-Compliance@spm1.com](mailto:Brokers-Compliance@spm1.com). Questions should be directed to Miriam Miller or Felecia Bowers.

## **BROKER RECERTIFICATION**

Please ensure that you have thoroughly completed, signed and initialed all documents where required and are submitting all required supplemental documents.

### **RENEWAL DOCUMENTS DUE BY JANUARY 31, 2014**

- ☐ Broker Application
- ☐ Redistribution of Addendum Desktop Underwriter Schedule
- ☐ Affiliated Relationship Questionnaire
- ☐ Third Party Fair & Responsible Lending Policy
- ☐ Request for Website and Advertising
- ☐ W9

### **VA (if the broker is VA approved, we will also need the following)**

- ☐ Completion of VA Approval/Renewal Form
- ☐ Submission of \$100 check payable the Veterans Administration

### **DUE BY MARCH 31, 2014**

- ☐ Financial Statements for most recent year-end



## Broker Application

Legal Name of Company: \_\_\_\_\_  
(This must be the same name as listed on the NMLS and the company's organization documents)

NMLS Number: \_\_\_\_\_

Doing Business as (DBA): \_\_\_\_\_  
(As shown on DBA registration statement files)

Business Address: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

**\*\*Attached additional document for branch office locations. Approval is required fro each location\*\***

Primary Phone Number: \_\_\_\_\_ Fax Number: \_\_\_\_\_

Primary Contact Name: \_\_\_\_\_

Primary Contact Phone Number: \_\_\_\_\_

Primary contact Email Address: \_\_\_\_\_

### Company Information:

Business Classification:

☐ Sole Proprietorship    ☐ Partnership    ☐ C-Corporation  
☐ Limited Liability Company    ☐ S – Corporation    ☐ Other

Is the company the subsidiary of, or controlled by, another entity? ☐ YES    ☐ NO

If yes, by whom? \_\_\_\_\_

Company organized and existing under laws of \_\_\_\_\_ on \_\_\_\_\_

Federal Tax ID Number: \_\_\_\_\_    State    Date  
Number of years in business: \_\_\_\_\_

Has company operated under another name, merged with, consolidated under or purchased and if so, please provide the type of change and names & relationships of all entities involved:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Principal Officers, Directors, General Partners:**

**Include all Principals with a 10% or more ownership. Attach a separate sheet if necessary**

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Years in Industry: \_\_\_\_\_

Percentage of Ownership: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Years in Industry: \_\_\_\_\_

Percentage of Ownership: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Years in Industry: \_\_\_\_\_

Percentage of Ownership: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Years in Industry: \_\_\_\_\_

Percentage of Ownership: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Years in Industry: \_\_\_\_\_

Percentage of Ownership: \_\_\_\_\_

**Other Information:**

**Check the appropriate box for each question.**

1. Has the Broker or any of its officers or principals ever been rejected, suspended, or terminated by any lender or agency?  
☐ YES ☐ NO
2. Has the Broker or any of its officers or principals declared bankruptcy in the past seven years?  
☐ YES ☐ NO
3. Has the Broker, any of its officers, principals, or employees, ever had a formal complaint filed against it/them, been subject to an enforcement action or fine, been reported or subject to disciplinary action by any state or Federal agency (including FBI, CFPB, OCC, FHA, VA, FNMA or FHLMC, OTS, NCUA, etc), law enforcement or regulatory agency, regarding any actual or alleged unfair business practice, fraud, forgery, misrepresentation or bank crime?  
☐ YES ☐ NO
4. Have any claims, suits or pending litigation been made or filed during the past five years against the Broker, any of its officers, principals or employees?  
☐ YES ☐ NO

5. Has the Broker been audited by any federal or state agency in the past 18 months and were there any negative findings in that audit report?  
☐ YES ☐ NO

**\*\*Please note that a YES answer to any of the above questions requires an explanation of the circumstances, reasons for the occurrence, is the action still open/unresolved, and the action taken to prevent recurrence of similar claims or actions from being taken. If the action is closed, please provide the date of closure. If applicable, describe the resolution and case number.**

6. Does the Broker or any of the principals currently own or control or, have you/they owned or controlled in the past five years; a real estate company, real estate development company, construction company, or financial services company such as: title company, escrow company, tax preparation, financial counseling, credit counseling or stock brokerage company?  
☐ YES ☐ NO

**If YES, please complete the Affiliated Relationship Questionnaire.**

7. Has the Broker implemented a formal policy to manage and respond to complaints from consumers?  
☐ YES ☐ NO
8. Has the Broker implemented a formal policy and program to protect the privacy of consumer's information?  
☐ YES ☐ NO
9. Has the Broker implemented a formal policy and program to manage the third party vendors and service providers they do business with as mandated by the CFPB?  
☐ YES ☐ NO

Is the Broker approved with any of the following and if so, please provide your seller/servicer number(s):

FNMA: \_\_\_\_\_

FHLMC: \_\_\_\_\_

FHA: \_\_\_\_\_

VA: \_\_\_\_\_

GNMA: \_\_\_\_\_

\_\_\_\_\_  
**Principal/Owner / Authorized Signer**

\_\_\_\_\_  
**Date**



## Redistribution of Addendum Desktop Underwriter Schedule

Check One:

☒ Affiliate User

☐ Subsidiary User

User Agreement

THIS AGREEMENT ("Agreement") is entered into by \_\_\_\_\_

and **SIERRA PACIFIC MORTGAGE COMPANY, INC.**

between ("User") and ("Licensee"). Any capitalized terms used herein and not otherwise defined shall have the meanings given them in the License Agreement (as hereinafter defined).

WHEREAS, Licensee has entered into Fannie Mae Licensed Application Master Terms and Conditions ("Master Terms") and its Desktop Underwriter® Schedule and associated Redistribution Addendum thereto ("DU Schedule" and "Addendum", respectively, which, together with the Master Terms, constitute the "License Agreement") with Fannie Mae governing the rights and obligations of Licensee and Fannie Mae with respect to Licensee's use of Desktop Underwriter (the "Licensed Application").

WHEREAS, User is an Affiliate or Subsidiary of Licensee and desires to use the Licensed Application in connection with Prequalification Analysis, mortgage loan origination and/or underwriting activities.

NOW THEREFORE, in consideration of the above, and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, Licensee and User agree as follows:

1. Definitions. The following terms are used in this Agreement as defined below:

"Affiliate" shall mean a mortgage lending entity or Third Party Originator that performs Prequalification Analyses, origination or underwriting in relation to mortgage loans intended to be closed by Licensee or assigned or sold to Licensee.

"Consumer Credit Data" shall mean any information obtained by User, either directly or indirectly, which bears on a consumer's creditworthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living (the "Seven Factors") and which is used or expected to be used or collected in whole or in part for the purpose of serving as a factor in underwriting a Mortgage Loan Application or performing a Prequalification Analysis. Such data may include, but are not limited to, data contained in: (i) residential mortgage credit reports, "in-file" credit reports, or "consumer reports," as defined in the FCRA; (ii) the Uniform Residential Loan Application, including any attachments and/or supplements thereto; and (iii) any correspondence or communication from the consumer or any third party which includes information relating to one of the Seven Factors.

"Mortgage Loan Application" shall mean the submission by a mortgage loan applicant of financial information and identification of the specific property to secure the mortgage loan for the purpose of obtaining an underwriting decision.

"Prequalification Analysis" shall mean the evaluation of Consumer Credit Data with respect to a prospective mortgage loan applicant for the purpose of evaluating such prospective applicant's qualification for mortgage financing, other than in connection with a Mortgage Loan Application.

## Redistribution of Addendum Desktop Underwriter Schedule

"Subsidiary" shall mean a mortgage lending entity more than fifty percent (50%) of whose controlling interest or outstanding voting shares or securities are owned or controlled, directly or indirectly, by Licensee.

2. User represents that it is an Affiliate or Subsidiary of Licensee and that it has received and read the License Agreement and understands and agrees that it shall be fully obligated to comply with each and every provision of such License Agreement in connection with its use of the Licensed Application.
3. Licensee agrees that, as and to the extent set forth in the Agreement, its license rights under the License Agreement shall extend to User in connection with the Licensed Application. User agrees that the rights granted to it shall not extend to any third party, including, but not limited to, User's customers, subsidiaries and/or affiliates.
4. User expressly appoints Licensee as its agent, as that term is defined in the FCRA, in connection with any use of the Licensed Application by User with respect to Mortgage Loan Applications or Prequalification Analyses.
5. In connection with the processing and evaluation of Consumer Credit Data by the Licensed Application for purposes of making an underwriting recommendation or performing a Prequalification Analysis (if applicable), User expressly appoints Fannie Mae, as owner of the Licensed Application, as its agent, as that term is defined in the FCRA. As User's agent, Fannie Mae shall, and is hereby expressly authorized by User to, obtain Consumer Credit Data for the sole purpose of performing a Prequalification Analysis and/or making an underwriting recommendation. User also expressly acknowledges, understands and agrees that Fannie Mae's role as User's agent shall not extend beyond the limited purposes set forth in this Paragraph 5, and for all other purposes, there shall be no such principal and agent relationship. Moreover, User shall in no way misrepresent to third parties the limited extent of this principal/agent relationship. User further acknowledges, understands and agrees that any recommendation rendered by the Licensed Application in the evaluation of Consumer Credit Data will not constitute an approval or denial of the Mortgage Loan Application by Fannie Mae or a commitment to purchase the loan by Fannie Mae. User shall disclose any secondary use of Consumer Credit Data that is facilitated by use of the Licensed Application to the issuing consumer reporting agency.
6. If User is an Affiliate, User shall use the Licensed Application for the primary purpose of (i) originating or underwriting mortgage loans intended to be closed by Licensee, or assigned or sold to Licensee, and/or (ii) performing Prequalification Analyses for Licensee (to the extent that the performance of Prequalification Analyses utilizing the Licensed Application is permitted under the License Agreement). If User is an Affiliate, User shall not be permitted to use the Licensed Application's wholesale lending ("DU<sup>®</sup> wholesale") functionality pursuant to this User Agreement. If User is a Subsidiary, User shall use the Licensed Application only in connection with its own Mortgage Loan Applications and/or Prequalification Analyses and/or those of Licensee (to the extent that the performance of Prequalification Analyses utilizing the Licensed Application is permitted under the License Agreement).
7. Notwithstanding anything to the contrary in that Section of the DU Schedule captioned "Use of Licensed Application," User must first obtain written permission from the mortgage loan applicant to request additional consumer reports before using the Licensed Application as described below:
  - a. With respect to Mortgage Loan Applications previously approved but not yet closed:
    - i. to request and receive additional Consumer Reports through the Credit Retrieval Module, when User is requesting such reports in connection with its own Mortgage Loan Applications and/or Prequalification Analyses, or because other circumstances exist which User believes justify the request for such additional consumer reports under the FCRA;

## Redistribution of Addendum Desktop Underwriter Schedule

- ii. to analyze or evaluate Consumer Credit Data, including Consumer Reports, when User determines that data obtained subsequent to its initial approval may affect its prior underwriting approval decision;
    - iii. to request and receive Consumer Reports and/or analyze or evaluate Consumer Credit Data when the loan applicant(s) request different loan terms or a different loan product than that originally requested by the loan applicant(s); and
  - b. With respect to Mortgage Loan Applications previously denied by User, which denial decision has been communicated to the applicant(s):
    - i. to request and receive Consumer Reports through the Credit Retrieval Module, when User is requesting such reports in connection with its own Mortgage Loan Applications and/or Prequalification Analyses;
    - ii. to analyze or evaluate Consumer Credit Data, including Consumer Reports, when (A) User determines that data obtained subsequent to its initial denial decision may affect its prior underwriting decision, and (B) User intends to make and communicate an offer of credit to the applicant(s) if an approval recommendation decision is rendered by the Licensed Application as a result of consideration of the additional data obtained.
8. The parties acknowledge and agree that Fannie Mae is an intended beneficiary of this Agreement.
9. This Agreement shall remain in full force and effect unless terminated pursuant to the provisions of this Section. The parties acknowledge and agree that this Agreement is subject to the License Agreement and that this Agreement shall automatically terminate upon termination of the Desktop Underwriter Schedule and/or the Redistribution Addendum by Fannie Mae and/or Licensee. In the event that User breaches any term or condition of this Agreement, Licensee may terminate this Agreement immediately upon written notice to User. Either party may terminate this Agreement without cause upon thirty (30) days' prior written notice to the other. The parties acknowledge that, pursuant to the terms of that Section of the Redistribution Addendum captioned "Termination of Affiliates and Subsidiaries", Fannie Mae may, in its absolute discretion, immediately terminate access by User to the Licensed Application for any breach of (a) the License Agreement, (b) the User Agreement, or (c) any other agreement between User and any lender (including Licensee) that has access to the Licensed Application.
10. Immediately upon termination of this Agreement, User shall cease using the Licensed Materials, and destroy or return all copies of the Licensed Materials in its possession to Licensee. Promptly upon request from Licensee or Fannie Mae, User shall provide Licensee or Fannie Mae with written certification of its compliance with the foregoing, executed by a duly authorized officer of User.
11. Licensee, and not Fannie Mae, shall be responsible for providing User with (i) first line support with respect to User questions and comments concerning Fannie Mae's automated underwriting guidelines and policies, including, but not limited to, questions concerning the interpretation and applicability of the Licensed Application's findings reports and questions relating to Fannie Mae's Selling Guide and (ii) appropriate training relating to the use of the Licensed Application and such guidelines and policies.
12. In the event of a conflict between the terms of this Agreement and the terms of the License Agreement, the terms of the License Agreement shall govern.
13. This Agreement may not be assigned by User to any other person(s), firm(s), corporation(s) or other entities without the prior express written consent of Fannie Mae and Licensee.





## Redistribution of Addendum Desktop Underwriter Schedule

14. All notices, requests, demands, and other communications (other than routine operational communications) required or permitted hereunder shall be in writing and shall be deemed to have been received by a party (i) when actually received in the case of hand delivery, (ii) one (1) business day after being given to a reputable overnight courier with a reliable system for tracking delivery, (iii) when sent by confirmed facsimile with a copy sent by another means specified in this paragraph, or (iv) seven (7) days after the date of mailing, when mailed by United States mail, registered or certified mail, return receipt requested, postage prepaid, and addressed to the recipient's contact person/address set forth below:

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|--|
| Licensee: <b>SIERRA PACIFIC MORTGAGE COMPANY, INC.</b> |
| User:  |

In the event that the recipient does not so specify a contact person/address, notices shall be addressed to the general counsel at the recipient's corporate headquarters. A party may from time to time change its address or designee for notification purposes by giving the other party prior written notice of the new address or contact person.

15. This Agreement shall be governed by and construed solely and exclusively in accordance with the laws of the District of Columbia, without reference to its conflicts of law principles.
16. 16. In the event that any provision of the Agreement conflicts with the law under which the Agreement is to be construed, or if any such provision is held invalid, void or unenforceable by a court with jurisdiction over the parties to the Agreement, such provision shall be deemed to be restated to reflect as nearly as possible the original intention of the parties in accordance with applicable law, and the remainder of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be duly executed as of the date last written below.

|  |
|--|
| "Licensee": <b>SIERRA PACIFIC MORTGAGE COMPANY, INC.</b> |
| By:  |
| Name:  |
| Title:   |
| Date:  |

|         |
|---------|
| "User": |
| By:     |
| Name:   |
| Title:  |
| Date:   |

## AFFILIATED RELATIONSHIP QUESTIONNAIRE

The Qualified Mortgage (“QM”) rules effective January 10, 2014 state that borrowers points and fees cannot exceed specific thresholds defined in the regulation, the highest threshold is 3% of the total loan amount. Sierra Pacific Mortgage Company, Inc., (“Sierra”) must determine the amount of fees that will be paid by borrowers to all entities involved in the loan process including any affiliate of the broker.

An affiliate is defined as an entity in which you, the broker has control over as stated below, is controlled by or is under common ownership. A company is considered to have control over another entity if it (i) directly or indirectly or acting through one or more persons, owns, controls, is an officer of, or has power to vote 25% or more of any class of voting securities of the entity, (ii) controls in any manner the election of a majority of the directors or trustees of the entity or, (iii) the Board of Governors of the Federal Reserve system determines, after notice and opportunity for hearing, that the company directly or indirectly exercises a controlling influence over the management or policies of the other entity.

Please answer the questions below regarding any affiliated enterprises you, as the broker, officer, etc., are connected with.

1. Please identify the type of business engaged in by your affiliate(s):

- a) Title Insurance: \_\_\_\_\_
- b) Escrow Services: \_\_\_\_\_
- c) Credit Reporting Services: \_\_\_\_\_
- d) Appraisal Services: \_\_\_\_\_
- e) Inspection Services: \_\_\_\_\_
- f) Home Warranty Services: \_\_\_\_\_
- g) Notary Services: \_\_\_\_\_
- h) Mortgage or Credit Insurance: \_\_\_\_\_
- i) Other: \_\_\_\_\_

2. Do any of the affiliates identified in your answer above receive any income or fees from mortgage loans that you or your employees, originate?

☐ YES ☐ NO

3. Does the affiliate(s) share office space with the broker?

☐ YES ☐ NO

4. Do/Does the affiliate(s) advertise for their services separately?

☐ YES ☐ NO



5. Please identify the name(s) of the affiliate(s), explain the services provided based on the box(s) checked in #2 above, the nature of the fees received on loans that your company originates.

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6. Please provide a completed and signed W9 for any / all affiliates, one form per affiliate.

**Please Print:**

Broker (BROKER) /Company Name: \_\_\_\_\_

Broker (BROKER)/Company NMLS Number: \_\_\_\_\_

Broker/Owner/Principal Name: \_\_\_\_\_

Title: \_\_\_\_\_

Signature of Broker/Owner/Principal: \_\_\_\_\_

Date: \_\_\_\_\_

REMINDER: Affiliated relationships require separate disclosures under the Real Estate Settlement Procedures Act. Your submission file to Sierra must contain that affiliated business disclosure.

## **THIRD PARTY FAIR AND RESPONSIBLE LENDING POLICY**

Mortgage Brokers (“Brokers”) doing business with Sierra Pacific Mortgage Company, Inc., (“Sierra”) are required to comply with all federal and state fair lending laws and regulations. To ensure that Brokers doing business with Sierra have a clear understanding of these laws and commit to fair and responsible lending practices, Sierra has adopted this policy and expects Brokers to comply with this policy.

### **Fair Lending Laws and Regulations**

Fair lending laws and regulations include, but are not limited to, the Equal Credit Opportunity Act (“ECOA”) the Fair Housing Act (“FHA”) and the Civil Rights Act (“CRA”) as well as individual rules issued by the U.S. Department of Housing and Urban Development (“HUD”) and the individual states.

Sierra and its Broker partners are committed to treating all applicants and customers in a fair and consistent manner, to promoting the availability of credit in a fair and consistent manner and to promoting the availability of credit without regard to any of the prohibited basis including, but not limited to, the following:

- Race
- Color
- National Origin
- Age (provided the applicant is of legal age to enter in to a contract)
- Familial Status
- Sexual Orientation
- Disability
- The exercise in good faith of any right under the Consumer Credit Protection Act
- Ethnicity
- Religion
- Sex
- Marital Status
- Military or Veteran Status
- Gender Identity
- Receipt of public Assistance

Brokers doing business with Sierra shall comply with all applicable fair lending laws and regulations and shall not:

- Discourage an applicant from applying for a loan or credit product on a prohibited basis.
- Fail to provide information or services or provide different information or services on a Prohibited basis, including credit availability, application procedures or lending standards.
- Either orally or in writing, express a preference or indicate that applicants will be treated differently on a prohibited basis.
- Vary the pricing or other terms of a loan on a prohibited basis, including, but not limited to, the loan amount, fees, fee waiver, APR, rebate/discount, compensation, period or type of loan, minimum loan amount.
- Exercise discretion in a manner that discriminates on a prohibited basis when discretion is authorized under the Broker Agreement or Sierra’s published program guides and rates, including

individual judgment or decision-making in setting the pricing or terms offered to the applicant customer.

- Make credit decisions, including the denial of a loan, on a prohibited basis, including the use of different standards to evaluate income or collateral.
- Evaluate an applicant on a prohibited basis and require that applicant to purchase ancillary or supplemental products or services as a condition of the loan.
- Treat similarly situated applicants differently on a prohibited basis, including the amount of assistance, encouragement or information given the applicant during the application process.
- Discriminate on a prohibited basis because of the characteristics of a applicant, including a joint applicant, spouse, or household member.
- Refuse to do business in or provide unequal access to credit or unequal terms of credit because of the characteristics of the residents of the area in which the applicant is seeking credit or because of the area in which the applicant resides (“redlining”).
- Assist an applicant in the selection of a loan product or interest rate with higher prices or unfavorable credit terms than which they are qualified for..
- Require the co-mortgagor be the spouse of the applicant.

### **Responsible Lending Laws**

Responsible lending laws prohibit lenders from engaging in practices that misrepresent or omit information that misleads customer as to the true nature of a product or service or causes substantial harm or injury to a customer. These laws are known as unfair, deceptive, abusive acts or practices. Responsible lending laws are further designed to protect potentially vulnerable customers such as military personnel and veterans, students, the elderly and limited English proficiency customers. Brokers doing business with Sierra are expected to share a similar commitment to responsible lending and must ensure that information provided to customers is complete and accurate and that all material product and service features of a loan transaction are clearly and accurately disclosed. Sierra expects all Brokers that do business with Sierra to maintain high standards when marketing to and serving vulnerable customer segments and to demonstrate those standards through employee training and awareness, marketing practices, policies and procedures and other controls.

### **Broker Obligations**

***Policies and Procedures*** Broker must maintain policies and procedures to ensure compliance with Fair and Responsible Lending Laws and with this Policy. Broker must establish policies, procedures, train employees and implement controls to ensure that discretion is exercised consistently, based upon clear objective standards and ensure that the reasons for discretionary decisions are documented in each instance. Broker acknowledges that Broker must make its policies, procedures and training records available for review by Sierra.

***Complaints*** Broker acknowledges that it is required implement a program to investigate consumer complaints and that broker is required to notify Sierra of its receipt of complaints or inquiries that relate to the business conducted with Sierra that allege discrimination on a Prohibited basis, unfair or deceptive practices, or violation(s) of Fair and Responsible Lending laws, regardless if they originate directly from a consumer, a federal agency, state agency, Better Business Bureau, legal counsel or lawsuit, consumer advocacy group, internet posting via social media or a specific website, another lender or GSE. Broker is required to assist, as needed, in the investigation of such complaints, the

resolution of the complaints, including taking corrective action for the complaining customer and similarly situated customers

**Training** Broker acknowledges that it has trained all employees on the requirements of Fair and Responsible Lending Laws and this Policy. Broker acknowledges that Broker must make its training policies, standards, schedules, records of completion and training materials available for review by Sierra at any time when requested by Sierra.

**Monitoring** Broker must fully cooperate with Sierra's efforts to meet its regulatory obligations and must comply in a timely manner with Sierra's requests for documentation and information, including electronic data. Broker must also fully cooperate with a Sierra initiated Fair and Responsible Lending performance review, risk assessment, analysis, and/or audit including requests for data to conduct testing and monitoring and take subsequent remedial action as appropriate including corrective action directed by Sierra.

**Self-Assessment** It is expected that Broker will monitor and analyze its own compliance with Fair and Responsible Lending Laws and will notify Sierra of any issues identified and remedial action taken. Broker may be required to implement additional corrective or remedial actions as directed by Sierra. At the request of Sierra, Broker will provide periodic reports on fair and responsible lending performance.

**Please Print:**

Broker (LOO) /Company Name: \_\_\_\_\_

Broker (LOO)/Company NMLS Number: \_\_\_\_\_

Broker/Owner/Principal Name: \_\_\_\_\_

Title: \_\_\_\_\_

Signature of Broker/Owner/Principal: \_\_\_\_\_

Date: \_\_\_\_\_

## WEBSITE AND ADVERTISING REQUEST

As part of our Third Party Vendor Management program, Sierra is required to review the websites of our third party originators and to review/audit a sample of their advertising materials.

A) Please provide us with the website addresses the broker entity and / or every loan originator employed by the broker:

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Attach a separate piece of paper if needed.

B) Please provide Sierra with copies of three or more recent advertising materials or scripts for television or radio advertising.

Sierra will review the website(s) and advertising media for compliance with federal and state advertising laws. Sierra may provide commentary to the broker relative to our findings however, note this review is for our purposes only and should not be construed as legal advice from Sierra. It is suggested that the broker seek legal advice and guidance relative to any findings and/or corrective measures or requirements.

# Request for Taxpayer Identification Number and Certification

Give form to the  
requester. Do not  
send to the IRS.

|  |   |  |
|--|---|--|
| Print or type<br>See Specific Instructions on page 2 | Name (as shown on your income tax return)   |  |
|  | Business name, if different from above  |  |
|  | Check appropriate box: <input type="checkbox"/> Individual/<br>Sole proprietor <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Other ▶ ..... | <input type="checkbox"/> Exempt from backup<br>withholding |
|  | Address (number, street, and apt. or suite no.)   | Requester's name and address (optional)                    |
|  | City, state, and ZIP code   |  |
| List account number(s) here (optional)               |   |  |

## Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

**Note.** If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

|                                |  |  |   |  |  |   |  |  |
|--------------------------------|--|--|---|--|--|---|--|--|
| Social security number         |  |  |   |  |  |   |  |  |
|                                |  |  | + |  |  | + |  |  |
| or                             |  |  |   |  |  |   |  |  |
| Employer identification number |  |  |   |  |  |   |  |  |
|                                |  |  | + |  |  |   |  |  |

## Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. person (including a U.S. resident alien).

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. (See the instructions on page 4.)

|              |                               |        |
|--------------|-------------------------------|--------|
| Sign<br>Here | Signature of<br>U.S. person ▶ | Date ▶ |
|              |                               |        |

## Purpose of Form

A person who is required to file an information return with the IRS, must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

**U.S. person.** Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee.

In 3 above, if applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

**Note.** If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

For federal tax purposes, you are considered a person if you are:

- An individual who is a citizen or resident of the United States,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States, or
- Any estate (other than a foreign estate) or trust. See Regulations sections 301.7701-6(a) and 7(a) for additional information.

**Special rules for partnerships.** Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,



- The U.S. grantor or other owner of a grantor trust and not the trust, and
- The U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

**Foreign person.** If you are a foreign person, do not use Form W-9. Instead, use the appropriate Form W-8 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

**Nonresident alien who becomes a resident alien.**

Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the recipient has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

**Example.** Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity not subject to backup withholding, give the requester the appropriate completed Form W-8.

**What is backup withholding?** Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% of such payments (after December 31, 2002). This is called "backup withholding." Payments that may be subject to backup withholding include interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

**Payments you receive will be subject to backup withholding if:**

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the Part II instructions on page 4 for details),

3. The IRS tells the requester that you furnished an incorrect TIN,

4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or

5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the instructions below and the separate Instructions for the Requester of Form W-9.

Also see *Special rules regarding partnerships* on page 1.

## Penalties

**Failure to furnish TIN.** If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

**Civil penalty for false information with respect to withholding.** If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

**Criminal penalty for falsifying information.** Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

**Misuse of TINs.** If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

## Specific Instructions

### Name

If you are an individual, you must generally enter the name shown on your income tax return. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

**Sole proprietor.** Enter your individual name as shown on your income tax return on the "Name" line. You may enter your business, trade, or "doing business as (DBA)" name on the "Business name" line.

**Limited liability company (LLC).** If you are a single-member LLC (including a foreign LLC with a domestic owner) that is disregarded as an entity separate from its owner under Treasury regulations section 301.7701-3, enter the owner's name on the "Name" line. Enter the LLC's name on the "Business name" line. Check the appropriate box for your filing status (sole proprietor, corporation, etc.), then check the box for "Other" and enter "LLC" in the space provided.

**Other entities.** Enter your business name as shown on required federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name" line.

**Note.** You are requested to check the appropriate box for your status (individual/sole proprietor, corporation, etc.).

## Exempt From Backup Withholding

If you are exempt, enter your name as described above and check the appropriate box for your status, then check the "Exempt from backup withholding" box in the line following the business name, sign and date the form.

Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends.

**Note.** If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

**Exempt payees.** Backup withholding is not required on any payments made to the following payees:

1. An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2),
2. The United States or any of its agencies or instrumentalities,
3. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities,
4. A foreign government or any of its political subdivisions, agencies, or instrumentalities, or
5. An international organization or any of its agencies or instrumentalities.

Other payees that may be exempt from backup withholding include:

6. A corporation,
7. A foreign central bank of issue,
8. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States,
9. A futures commission merchant registered with the Commodity Futures Trading Commission,
10. A real estate investment trust,
11. An entity registered at all times during the tax year under the Investment Company Act of 1940,
12. A common trust fund operated by a bank under section 584(a),
13. A financial institution,
14. A middleman known in the investment community as a nominee or custodian, or
15. A trust exempt from tax under section 664 or described in section 4947.

The chart below shows types of payments that may be exempt from backup withholding. The chart applies to the exempt recipients listed above, 1 through 15.

| IF the payment is for . . .  | THEN the payment is exempt for . . .   |
|--|--|
| Interest and dividend payments   | All exempt recipients except for 9   |
| Broker transactions  | Exempt recipients 1 through 13. Also, a person registered under the Investment Advisers Act of 1940 who regularly acts as a broker |
| Barter exchange transactions and patronage dividends                                   | Exempt recipients 1 through 5  |
| Payments over \$600 required to be reported and direct sales over \$5,000 <sup>1</sup> | Generally, exempt recipients 1 through 7 <sup>2</sup>  |

<sup>1</sup> See Form 1099-MISC, Miscellaneous Income, and its instructions.

<sup>2</sup> However, the following payments made to a corporation (including gross proceeds paid to an attorney under section 6045(f), even if the attorney is a corporation) and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees; and payments for services paid by a federal executive agency.

## Part I. Taxpayer Identification Number (TIN)

**Enter your TIN in the appropriate box.** If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-owner LLC that is disregarded as an entity separate from its owner (see *Limited liability company (LLC)* on page 2), enter your SSN (or EIN, if you have one). If the LLC is a corporation, partnership, etc., enter the entity's EIN.

**Note.** See the chart on page 4 for further clarification of name and TIN combinations.

**How to get a TIN.** If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at [www.socialsecurity.gov](http://www.socialsecurity.gov). You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at [www.irs.gov/businesses](http://www.irs.gov/businesses) and clicking on Employer ID Numbers under Related Topics. You can get Forms W-7 and SS-4 from the IRS by visiting [www.irs.gov](http://www.irs.gov) or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

**Note.** Writing "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

**Caution:** A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.

## Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 4, and 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). Exempt recipients, see *Exempt From Backup Withholding* on page 2.

**Signature requirements.** Complete the certification as indicated in 1 through 5 below.

**1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983.** You must give your correct TIN, but you do not have to sign the certification.

**2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983.** You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

**3. Real estate transactions.** You must sign the certification. You may cross out item 2 of the certification.

**4. Other payments.** You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

**5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions.** You must give your correct TIN, but you do not have to sign the certification.

## What Name and Number To Give the Requester

| For this type of account:   | Give name and SSN of:   |
|---|---|
| 1. Individual   | The individual  |
| 2. Two or more individuals (joint account)  | The actual owner of the account or, if combined funds, the first individual on the account <sup>1</sup> |
| 3. Custodian account of a minor (Uniform Gift to Minors Act)  | The minor <sup>2</sup>  |
| 4. a. The usual revocable savings trust (grantor is also trustee)   | The grantor-trustee <sup>1</sup>  |
| b. So-called trust account that is not a legal or valid trust under state law   | The actual owner <sup>1</sup>   |
| 5. Sole proprietorship or single-owner LLC  | The owner <sup>3</sup>  |
| For this type of account:   | Give name and EIN of:   |
| 6. Sole proprietorship or single-owner LLC  | The owner <sup>3</sup>  |
| 7. A valid trust, estate, or pension trust  | Legal entity <sup>4</sup>   |
| 8. Corporate or LLC electing corporate status on Form 8832  | The corporation   |
| 9. Association, club, religious, charitable, educational, or other tax-exempt organization  | The organization  |
| 10. Partnership or multi-member LLC   | The partnership   |
| 11. A broker or registered nominee  | The broker or nominee   |
| 12. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments | The public entity   |

<sup>1</sup> List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

<sup>2</sup> Circle the minor's name and furnish the minor's SSN.

<sup>3</sup> You must show your individual name and you may also enter your business or "DBA" name on the second name line. You may use either your SSN or EIN (if you have one). If you are a sole proprietor, IRS encourages you to use your SSN.

<sup>4</sup> List first and circle the name of the legal trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules regarding partnerships* on page 1.

**Note.** If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

## Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons who must file information returns with the IRS to report interest, dividends, and certain other income paid to you, mortgage interest you paid, the acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA, or Archer MSA or HSA. The IRS uses the numbers for identification purposes and to help verify the accuracy of your tax return. The IRS may also provide this information to the Department of Justice for civil and criminal litigation, and to cities, states, the District of Columbia, and U.S. possessions to carry out their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You must provide your TIN whether or not you are required to file a tax return. Payers must generally withhold 28% of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to a payer. Certain penalties may also apply.