



Branch Manager Package

The 'New Branch Manager' package consists of the following forms...

- Branch Manager Employment Application
 - A standard employment application
- Branch Manager Agreement
 - Your legal agreement with the company
- Company Policy Manual
 - Signing the signature page signifies that you have read and understand our policies
- HUD Branch Agreement

We are sending you this packet early in the process, so you can review the agreement and policies. But **PLEASE DO NOT RETURN THESE FORMS** until you have turned in the loan scenario and it has been approved. This will save you (and us) time and paper, if we are unable to approve your branch.

Please fill out all forms as completely, and as legibly as possible.

When complete, please scan or fax your documents to Linda Claborn, all at one time. Her fax number is 512-402-5474. Contact Linda at Lclaborn@openmtg.com or 512-858-9696 x305 if you have any questions.

Please do not include instruction pages when sending this packet or other forms. (such as this page or the W4/I-9 instructions)

Please send only the signature page from the policy document, not all 40 pages!

Thank you for your help with these procedures. We do appreciate it!



14101 Hwy 290 West, Bldg 800 • Austin, TX • 78737
Tel: (512) 858-9696 • Fax: (512) 858-9699

BRANCH MANAGER APPLICATION FOR EMPLOYMENT

Please complete in full all requested information. The notation "see resume" is not adequate. You are not required to provide any information on this form that is prohibited by applicable laws. A completed application must be received before employment action can be taken. All offers of employment will be on a temporary basis pending completion of a background investigation and verification of the information provided below.

PERSONAL INFORMATION

Last Name _____ First Name _____ Middle _____ Date of Birth ____/____/____ Social Security Number _____
 (Current Residence) Street _____ City _____ St _____ Zip _____ Home Phone _____ Cell Phone _____
 How Long? _____
 (Previous Residence) Street _____ City _____ St _____ Zip _____ How Long? _____
 (Current Bus. Address) Street _____ City _____ St _____ Zip _____
 Day Phone (____) _____ - _____ Fax (____) _____ - _____ Position Desired: Branch Mgr Other (specify) _____
 Salary Desired: _____ Are you legally eligible for employment in the United States? Yes No Date you can start work ____/____/____
 List your email address: _____ Type of employment: Full time Part time Preferred Days/Hours: _____
 Have you ever worked or attended school under any other name? Y N If so, please list: _____
 Please list any and all aliases and nicknames you have used: _____
 (Branch Manager applicants only) Do you have FHA experience? Y N Do you intend to originate FHA loans? Y N

REFERENCES (Please list at least 3 professional references you have known at least 3 years other than past employers)

Name of individual	Company Name	Address	Phone number
_____	_____	_____	_____
Name of individual	Company Name	Address	Phone number
_____	_____	_____	_____
Name of individual	Company Name	Address	Phone number
_____	_____	_____	_____
Name of individual	Company Name	Address	Phone number
_____	_____	_____	_____

EDUCATION (Please list High School, Colleges, business, trade or other schools attended)

Name of School & branch	City	State	Graduated? <input type="checkbox"/> Y <input type="checkbox"/> N	Degree/Cert..	Date Rec'vd
_____	_____	_____	_____	_____	_____
Name of School & branch	City	State	Graduated? <input type="checkbox"/> Y <input type="checkbox"/> N	Degree/Cert..	Date Rec'vd
_____	_____	_____	_____	_____	_____
Name of School & branch	City	State	Graduated? <input type="checkbox"/> Y <input type="checkbox"/> N	Degree/Cert..	Date Rec'vd
_____	_____	_____	_____	_____	_____
Name of School & branch	City	State	Graduated? <input type="checkbox"/> Y <input type="checkbox"/> N	Degree/Cert..	Date Rec'vd
_____	_____	_____	_____	_____	_____

EMPLOYMENT HISTORY: List employment for the past ten years starting with current or most recent employment first. Include any part-time employment and periods of unemployment. **The notation "see resume" is not an acceptable response.** (If self-employed, additional information may be required to substantiate self-employment. In lieu of Supervisor information, you will be required to provide information on vendors with which you have conducted business for at least one year in your company's name.)

Company Name	Self-Employed? <input type="checkbox"/> Y <input type="checkbox"/> N	Dates Employed	Ending Mo.	Salary/Comm.	
_____	_____	_____ to _____	_____	_____	
Address	City	St	Your Title/Position	Name of Supervisor	Contact Number
_____	_____	_____	_____	_____	_____
May we contact your current employer? <input type="checkbox"/> Y <input type="checkbox"/> N Please describe your job responsibilities and accomplishments in detail: _____					
Reason for leaving: _____					



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EMPLOYMENT HISTORY CONTINUED

Company Name Self-Employed? Y N Dates Employed ____/____/____ to ____/____/____ Ending Mo. Salary/Comm. _____

Address City St Your Title/Position Name of Supervisor Contact Number

Please describe your job responsibilities and accomplishments in detail: _____

Reason for leaving: _____

Company Name Self-Employed? Y N Dates Employed ____/____/____ to ____/____/____ Ending Mo. Salary/Comm. _____

Address City St Your Title/Position Name of Supervisor Contact Number

Please describe your job responsibilities and accomplishments in detail: _____

Reason for leaving: _____

Company Name Self-Employed? Y N Dates Employed ____/____/____ to ____/____/____ Ending Mo. Salary/Comm. _____

Address City St Your Title/Position Name of Supervisor Contact Number

Please describe your job responsibilities and accomplishments in detail: _____

Reason for leaving: _____

Company Name Self-Employed? Y N Dates Employed ____/____/____ to ____/____/____ Ending Mo. Salary/Comm. _____

Address City St Your Title/Position Name of Supervisor Contact Number

Please describe your job responsibilities and accomplishments in detail: _____

Reason for leaving: _____

Business Information: (Only complete this section if you are applying for a Branch Manager position).

- 1) What was your personal production (based on the total no.of closed loans) for: Y-T-D 2005? _____ 2004? _____ 2003? _____
- 2) What was your branches total production for: Y-T-D 2005? _____ 2004? _____ 2003? _____
- 3) Please break down your typical production totalling 100%: Prime _____ Sub-Prime _____ FHA/VA _____ Commercial _____

License Information

- 1) Do you currently hold a Broker license? Y N Loan Officer License?. Y N If yes, what state(s): _____
- 2) Have you ever had a license revoked by a state agency? Y N If yes, please explain: _____
- 4) Is there any pending litigation against you? Y N If yes, please explain: _____
- 5) Have you filed bankruptcy within the last 7 years? Y N



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Staff Information, please indicate current number of staff

Loan Officers _____ Administrative _____
Managers _____ Processing _____
Telemarketing _____ Other _____

What was your Previous Address _____ City _____ State _____ Zip _____ How long at previous address? (Years) _____

Have you ever been involved with a business that has been investigated by the Real Estate Commission, local, federal or state authorities, such as: State Bureau of Investigation, Federal Bureau of Investigation, State Licensing or Registration, Better Business Bureau, etc.?

Yes _____ No _____ If yes, describe in full: _____

Have you been convicted of a crime, including misdemeanors and summary offenses, including crimes that have been annulled, expunged or sealed by a court other than a traffic violation? (Criminal convictions will not automatically disqualify you from employment. The nature of the offense, date, and type of hob for which you are applying will be considered). **Felony Conviction:** Yes _____ No _____ **Other Conviction:** Yes _____ No _____ If yes to either, describe in full: _____

Name of Emergency Contact _____ Address _____ City _____ State _____ Zip _____ Phone _____

Note: Unless prohibited by state law, the following conditions of employment apply to Open Mortgage, LLC. (1) Submission of complete employment application; (2) Submission of additional information required to verify or clarify information listed above or information uncovered during our background investigation; (3) Approved criminal background investigation; (4) Approved employment history; (5) Approved Credit; (6) Verification of all information provided; (7) Determination as to whether your qualifications meet the current and future requirements of our Company for the position in which you have applied

Applicants Please Read Carefully

By submitting this application in writing or electronically, I certify that the information provided on this employment application is correct and complete to the best of my knowledge. I realize that falsification or omission of facts is sufficient cause for denial of employment or immediate discharge. If hired, I agree to furnish proof of my eligibility to work in the United States (as specified in the Immigration Reform and Control Act of 1987) within three days of my starting date.

A further agree, if accepted for employment, that employment is on a temporary provisional basis pending the final completion of a background investigation and verification of the information provided herein. I further understand that my employment is not for a stated period of time, and that the Company retains the right to terminate my employment. I agree to conform to the rules and regulations of the Company, in addition to those rules and regulations mandated by governing State and Federal agencies with regard to both employment and industry standards. I agree that employment and compensation can be terminated, with or without cause, and with or without notice at any time at the option of either the Company or myself. I also understand and agree that the terms and conditions of my employment may be changed, with or without notice, at any time by the Company in accordance with State and Federal law.

Authorization and Release of Information

By signing this application or submitting electronically, I authorize the employer to investigate my employment, education, criminal record, credit history and other activities as specified in the information I have provided. I release from all liability all persons, companies, corporations and educational institutions supplying or receiving such information.

Signature of Applicant

Date Signed

Company Use Only"

Received By

Date Received

Processing Completed By

Date Process Completed

BRANCH MANAGER EMPLOYMENT AGREEMENT

This agreement (“Agreement”) is effective as of _____, 20__ by and between _____ (the “Branch Manager”) and Open Mortgage, LLC, a Texas limited liability corporation (the “Company”).

1. Duties and Scope of Employment Relationship.

- (a) Branch Manager. For the term of this Agreement (the “Relationship”), the Company agrees to employ the Branch Manager in the position of Branch Manager of the Open Mortgage branch located at _____ or in such other position as the Company subsequently may assign to the Branch Manager.
- (b) Officer of the Company. As Branch Manager, Branch Manager is an officer of the Company with the authority to originate, close, fund, and submit mortgages in the Company’s name and to supervise employees at the particular branch.
- (c) By signing this Business Agreement, Branch Manager certifies that he/she has at least three years of relevant experience or training in the Company’s mortgage activities.
- (d) Federal Housing Act. Branch Manager shall follow all applicable statutes, regulations and HUD written instructions, including program handbooks and mortgage letters on loan originations. Branch Manager shall ensure that all required signs, posters, flyers, and other information is posted/distributed as required by law.
- (e) No Conflicting Obligations. The Branch Manager represents and warrants to the Company that he/she is under no obligations or commitments, whether contractual or otherwise, that are inconsistent with his/her obligations under this Agreement. The Branch Manager represents and warrants that he/she will not use or disclose, in connection with his/her Relationship by the Company, any trade secrets or other proprietary information or intellectual property in which the Branch Manager or any other person has any right, title or interest and that his/her Relationship by the Company as contemplated by this Agreement will not infringe or violate the rights of any other person. The Branch Manager represents and warrants to the Company that he/she has returned all property and confidential information belonging to any prior employer.

2. Cash and Incentive Compensation.

- (a) Compensation. The Company shall pay the Branch Manager as compensation for his/her services in accordance with Exhibit A attached hereto. Total compensation equals Base Compensation plus Incentive Compensation, and is due and payable to Branch Manager twice per month, as more fully described in Exhibit A.
- (b) Insurance Coverage Reimbursement. The Branch Manager will be eligible to participate in any Company-sponsored benefit plans, including the Company’s medical

plan, in the same manner as Company and any third-party benefit provider make such opportunities available to Company's regular full-time employees, subject to any such third-party benefit provider's determination that Branch Manager is eligible to participate in such plan. Should the Branch Manager choose to participate in any Company-sponsored benefit plans, the Branch Manager shall pay 100% of the premiums. The Company shall provide the Branch Manager with the right to voluntarily waive his/her right to coverage for him and his/her family. Also, the voluntary waiver shall not affect his/her eligibility to apply for coverage under the Company's medical benefits policy, as long as he/she remains a Branch Manager of the Company.

3. Business Expenses.

The Branch Manager is authorized to expend a monthly budget of \$ 400 for branch operations. The expenses under this budget include cost of credit reports, appraisals, surveys, office supplies, couriers and postage, gifts to borrowers, and other operating expenses not provided by the Site Partner. Any expenses of the Site Partner must be approved by the Site Partner. The Branch Manager has no authority to incur costs for the Company that exceed the budget or that are not specifically approved by the Company. Any expenses not approved by Open Mortgage spent in excess of the budgeted amount shall be deducted from the Branch Manager's paycheck.

4. Prohibited Activities

(a) Branch Manager is prohibited from engaging in any full time, part time, or self employment involving mortgage lending, real estate, or a related field during his/her employment with the Company.

(b) Branch Manager shall have no right to incur expenses on the Company's behalf in excess of the amount set forth in Section 3 without the Company's authorization. Branch Manager has no authority to incur obligations in the Company's name other than standard operating expenses, and shall be responsible for any expenses in excess of such budget. Branch Manager explicitly agrees that any such expenses may be deducted from Branch Manager's pay.

5. Term of Relationship.

(a) Basic Rule. Employment with the Company shall be "at will," meaning that either the Branch Manager or the Company may terminate the Relationship at any time and for any reason, with or without Cause (in the case of the Company) or Constructive Termination (in case of the Branch Manager). Any contrary representations that may have been made to the Branch Manager shall be superseded by this Agreement. This Agreement shall constitute the full and complete agreement between the Relationship and the Company on the "at will" nature of the Relationship, which may only be changed in an express written agreement signed by the Branch Manager and a duly authorized officer

of the Company.

(b) Termination. The Company or the Branch Manager may terminate the Relationship at any time and for any reason (or no reason), by giving the other party notice in writing. The Relationship shall terminate automatically in the event of Branch Manager's death. In any event of termination, Compensation will be paid in accordance with Exhibits A & B attached hereto.

(c) Rights Upon Termination. Compensation will be paid in accordance with Exhibits A & B attached hereto.

6. Non-Solicitation and Non-Competition.

(a) Non-Solicitation. Except as provided in Section 6(b) below, during the period commencing on the date of this Agreement and continuing until the one year anniversary of the date when the Relationship terminates for any reason, the Branch Manager shall not directly or indirectly, personally or through others, solicit or attempt to solicit (on the Branch Manager's own behalf or on behalf of any other person or entity) the employment of any employee of the Company or any of the Company's partners; nor will Branch Manager influence or attempt to influence any person or entity which the Company has a written or oral agreement to terminate such agreement.

(b) Post-Termination Solicitation. Following the date when the Branch Manager terminates for any reason, the Branch Manager may solicit or attempt to solicit (i) the employment of the employees of the Company listed on Exhibit B attached hereto.

7. Signage.

The Branch Manager shall ensure proper signage of the Branch. The sign shall be permanently affixed to the Leased Premises, visible to the public and shall emphasize the name "Open Mortgage" and shall not be misrepresentative of an Open Mortgage Branch. The Open Mortgage sign under this paragraph shall not indicate the government or any federal agency. Proper signage includes a separate and prominently displayed Fair Housing Act Poster.

8. Ownership Rights; Nondisclosure; Proprietary Information; Publicity.

(a) Ownership. Company shall own all right, title and interest (including patent rights, copyrights, trade secret rights, mask work rights, trademark rights, unique database rights and all other intellectual and industrial property rights of any sort throughout the world) relating to any and all inventions (whether or not patentable), works of authorship, mask works, designations, designs, know-how, ideas and information made or conceived or reduced to practice, in whole or in part, by Branch Manager in connection with Services or any Proprietary Information (as defined below) (collectively, "Inventions") and Branch Manager will promptly disclose and provide all Inventions to Company. All Inventions

are work made for hire to the extent allowed by law and, in addition, Branch Manager hereby makes all assignments necessary to accomplish the foregoing ownership. Branch Manager shall further assist Company, at Company's expense, to further evidence, record and perfect such assignments, and to perfect, obtain, maintain, enforce, and defend any rights assigned. The Branch Manager hereby irrevocably designates and appoints Company as its agents and attorneys-in-fact to act for and in Branch Manager's behalf to execute and file any document and to do all other lawfully permitted acts to further the foregoing with the same legal force and effect as if executed by Branch Manager.

(b) Proprietary Information. Branch Manager agrees that all Inventions and all other business, technical and financial information Branch Manager develops, learns or obtains in connection with Services or that are received by or for the Company in confidence, constitute "Proprietary Information." Branch Manager will hold in confidence and not disclose or, except in performing the Services, use any Proprietary Information. However, Branch Manager shall not be obligated under this paragraph with respect to information Branch Manager can document if the information becomes readily publicly available without restriction through no fault of Branch Manager. Upon termination and as otherwise requested by Company, Branch Manager will promptly return to Company all items and copies containing or embodying Proprietary Information, except that Branch Manager may keep its personal copies of its compensation records and this Agreement. Branch Manager also recognizes and agrees that Branch Manager does not have expectation of privacy with respect to Company's telecommunications, networking or information processing systems (including, without limitation, stored computer files, e-mail messages and voice messages) and that Branch Manager's activity, and any files or messages, on or using any of those systems may not be monitored at any time by the Company without notice to the Branch Manager.

(c) To the extent allowed by law the assignment of proprietary rights hereunder includes all rights of paternity, integrity, disclosure and withdrawal and any other rights that may be known as or referred to as "moral rights," "artist's rights," "droit moral," or the like. To the extent any of the foregoing is ineffective under applicable law, Branch Manager hereby provides any and all ratifications and consents necessary to accomplish the purposes of the foregoing to the extent possible. Branch Manager will confirm any such ratifications and consents from time to time as requested by Company.

(d) If Branch Manager engages any other person that produces proprietary information, inventions, or any other intellectual property, Branch Manager will obtain the foregoing assignments, ratifications, consents and authorizations from such person for Company's exclusive benefit.

(e) If any proprietary information or intellectual property used by Branch Manager is based on, incorporates, or is an improvement or derivative of, or cannot be reasonably

and fully made, used, reproduced, distributed and otherwise exploited without using or violating technology or intellectual property rights owned or licensed by Branch Manager, whether prior to or subsequent to this Agreement, Branch Manager hereby grants Company and its successors a perpetual, irrevocable, worldwide royalty-free, non-exclusive, sub-licensable right and license to exploit and exercise all such technology and intellectual property rights in support of Company's exercise or exploitation of the Services, Inventions, other work performed hereunder, or any assigned rights (including any modifications, improvements and derivatives of any of them).

9. Successors.

(a) Company's Successors. This Agreement shall be binding upon any successor (whether direct or indirect and whether by purchase, lease, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company's business and/or assets. For all purposes under this Agreement, the term "Company" shall include any successor to the Company's business and/or assets that become bound by this Agreement.

10. Miscellaneous Provisions.

(a) Notice. Notices and all other communications contemplated by this Agreement shall be in writing and shall be deemed to have been duly given when personally delivered or when mailed by U.S. registered or certified mail, return receipt requested and postage prepaid. In the case of the Branch Manager, mailed notices shall be addressed to him/her at the P.O. Box address that he/she most recently communicated to the Company in writing. In the case of the Company, mailed notices shall be addressed to its corporate headquarters, and all notices shall be directed to the attention of its CEO.

(b) Modifications and Waivers. No provision of this Agreement shall be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by the Branch Manager and by an authorized officer of the Company (other than the Branch Manager). No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(c) Whole Agreement. This Agreement, the Proprietary Information and Inventions Agreement between the Company and the Branch Manager, contain the entire understanding of the parties with respect to the subject matter hereof. No other agreements, representations or understandings (whether oral or written and whether express or implied) which are not expressly set forth in such agreements have been made or entered into by either party.

(d) Choice of Law and Severability. This Agreement is executed by the parties in the State of Texas and shall be interpreted in accordance with the laws of such State (except

their provisions governing the choice of law). If any provision of this Agreement becomes or is deemed invalid, illegal or unenforceable in any jurisdiction by reason of the scope, extent or duration of its coverage, then such provision shall be deemed amended to the extent necessary to conform to applicable law so as to be valid and enforceable or, if such provision cannot be so amended without materially altering the intention of the parties, then such provision shall be stricken and the remainder of this Agreement shall continue in full force and effect. Should there ever occur any conflict between any provision contained in this Agreement and any present or future statute, law, ordinance or regulation contrary to which the parties have no legal right to contract, then the latter shall prevail but the provision of this Agreement affected thereby shall be curtailed and limited only to the extent necessary to bring it into compliance with applicable law. All the other terms and provisions of this Agreement shall continue in full force and effect without impairment or limitation.

(e) No Assignment. This Agreement and all rights and obligations of the Branch Manager hereunder are personal to the Branch Manager and may not be transferred or assigned by the Branch Manager at any time. The Company may assign its rights under this Agreement to any entity that assumes the Company's obligations hereunder in connection with any sale or transfer of all or a substantial portion of the Company's assets to such entity.

(f) Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, each of the parties has executed this Agreement, in the case of the Company by its duly authorized officer, as of the day and year first above written.

BRANCH MANAGER

OPEN MORTGAGE, LLC.

By _____
Title: _____

Exhibit A

Base Compensation and Incentive Compensation

1. Total Compensation equals Base Compensation plus Incentive Compensation.
2. Base Compensation. There is no base compensation for this position.
3. Incentive Compensation: The incentive pay for this position is a ____ split of net revenue collected on each closed loan, after a fixed deduction per loan. The fixed deduction is \$_____ per file on all loans, except stand-alone seconds, HELOCS, and piggyback seconds. The deduction for stand-alone seconds and HELOCS is ½ the standard deduction, and there is no deduction for piggyback seconds. Net revenue includes all “front side” fees and origination, as well as any yield point spread earned on the loan, minus fees paid to outside services. Outside services include contract processing, credit reports, appraisals, surveys, etc.
4. Payment shall be made at after a loan is closed and the corporate office has audited the file.
5. Employer-side taxes are paid by the branch for all W2 compensation.
6. Branch Manager agrees that any overpayment, including but not limited to unauthorized expenses and overpaid or reversed commissions from prior pay periods, may be deducted from Branch Manager’s paycheck.
7. Branch Manager shall be paid for all loans, which are originated and close prior to termination of this Agreement. Contact corporate when closing a branch to arrange to be paid on loans that close after termination notice has been given.

Exhibit B

Branch Manager Termination and Solicitation

Branch Manager shall have the right to solicit or attempt to solicit the following employees of the Company: Any employees from Branch Manager's branch(es).

Branch Manager shall have the right to solicit or attempt to solicit any or all employees of the Company at the 1-year anniversary of the termination, regardless of which party terminates the agreement.

Employee Information

Please print legibly, thank you.

Last Name _____ First Name _____ Middle Initial _____

Street Address _____

City, State, Zip _____

Social Security Number _____ Date Of Birth _____

Home Phone _____ Mobile Phone _____

Home Email _____

Mother's Maiden Name _____

City of Birth _____

LO License # _____ Licensed State _____

License Expiration Date _____

Branch Information

Street Address _____

City, State, Zip _____

Business Phone _____ Fax _____

Toll Free Phone _____

Nearest Airport Code (i.e., LAX) _____

---- For Corporate Use -----

Login _____ Password _____

Corp Email _____ Password _____

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Advertising Policy

It is the policy of Open Mortgage, LLC and our branches to conduct all advertising activities in conformity with all applicable laws and regulations. No advertisement by any Open Mortgage Branch or Loan Officer shall be misleading or inaccurate or misrepresent in any way our products, services or terms of doing business. This policy governs advertisements of all types in all media, including, but not limited to, radio, television, newspapers, magazines and billboards.

1. Corporate Marketing and Corporate Compliance must approve all advertising prior to implementation.
2. All advertising relating to loans shall comply with all applicable laws and regulations relating to fair housing lending, equal credit opportunity, truth in lending, and other such laws and regulations as may apply to any particular loan product.
3. A Branch or Loan Officer shall not exclude any portion of its community, medium serving any such portion of its community in its advertising strategy. Models used in advertising shall be chosen to reflect fairly the ages, sexes, races, national origins, religions, and cultures of the people in the branch's or Loan Officer's community, without excluding any identifiable group.
4. The Branch and Loan Officer shall retain records of its compliance with this policy for at least 25 months after each advertisement ceases to be used.
5. The Branch shall maintain all legally required signs and posters on its premises in the locations and sizes and with the texts required by applicable laws and regulations.

Branch Spin-Off Policy

Some loan officers will join a branch of Open Mortgage with the intention of eventually spinning off and becoming their own branch. This is an accepted practice, as long as the sponsoring branch and the loan officer discuss it in advance. However, Open Mortgage has a policy that branches do not spin off before spending at least 6 months with the sponsoring branch. This time period allows the new employees time to get familiarized with company policies and procedures. It also gives the sponsoring branch some time to reap some benefits from sponsoring the new branch.

When a loan officers spins off a new branch, the sponsoring branch will receive a spiff on new branch production.

Branch Approval Policy

After the initial interview process new branches receive a probationary approval. The company will proceed with a background and credit check, and compliance training. The branch will be notified when the background and credit checks are completed. This usually occurs within a week. The branch will lose its probationary approval if there are undisclosed or unexplainable credit or background issues, or for issues inconsistent with the position as a trusted financial advisor. The branch can also lose its probationary approval for lack of willingness to undergo compliance training, or if compliance training reveals too great a lack of knowledge.

A fully approved branch can lose its approval and be shut down with no notice.

Reasons for a shutdown include...

- Too little production
- Excessive support time (usually with too little production)
- Any loan fraud or fraud indication
- On-going negative branch account balance and late vendor payments
- Poor customer service
- Unwillingness or inability to fill in gaps in knowledge or training
- Any combination of the above

Brokering vs. Correspondent Lending

Open Mortgage started operation as a broker. We now close loans as a correspondent as well. Correspondent lending carries greater risks so branches are required to be approved to close loans as a correspondent.

For brokered loans, the transaction is closed and the branch is paid when the loan funds and the file completes audit. (Either passing or failing) For correspondent loans, money does not come into the company when the loan closes, but rather when an investor purchases the closed loan and the warehouse line is repaid. For this reason, correspondent transactions are closed and the branch is paid when the investor purchases the loan

Branches approved to close loans on a correspondent basis also take some risk closing loans this way. If a loan runs into problems an investor may require Open Mortgage to repurchase (or buy back) the loan. When this happens the loan will have to be sold to a 'scratch & dent' investor, and losses will occur. In the case where a loan repurchase occurs Open Mortgage will charge the losses back to the branch to the extent of commissions earned by the branch. That is, if you close a loan as a correspondent and the loan has to be repurchased your branch could be forced to pay back all the money it earned on a loan, including loan officer commission.

Contact the compliance department to discuss correspondent approval.

Customer Confidentiality Policy

It is the policy of Open Mortgage, LLC that both the financial records of our customers and the relationships between Open Mortgage, LLC, its Branches and its Loan Officers and our customers is confidential. Open Mortgage, LLC values the trust our customers place in us and that all information about our customer held by the Branch or Loan Officer was obtained in confidence. Accordingly, no employee other than our security officer, shall divulge financial information or records of a customer or discuss the business or affairs of a customer with anyone outside the corporation without the customer's prior written consent.

It is also the policy of Open Mortgage, LLC to cooperate with state and federal governmental agencies in their properly made, legitimate requests for information. Any subpoena, search warrant, or formal or informal request for information about or concerning a customer or a customer's accounts from a federal or state court or agency shall be directed to the Open Mortgage's security officer who shall respond in accordance with the appropriate provisions of federal or state law or the regulation of the Internal Revenue Service as applicable.

Customer Privacy Policy

Through our everyday operations, Open Mortgage compiles and maintains confidential information on our customers. It is the policy of Open Mortgage to protect the privacy of this information, especially in light of the increasing attempts from outside sources to obtain this information without the consent of the customer. Open Mortgage and its Branches will implement strong internal controls, ongoing training, and a strict adherence standard to ensure customer privacy.

In order to notify our customers of our commitment to guarding their privacy, this policy is available for public review. Open Mortgage employees should express our commitment to customer privacy and the availability of this policy when communicating with present and potential customers.

It is the policy of Open Mortgage to comply with federal and state laws and regulations affecting consumer privacy, including the Fair Credit Reporting Act and the Right to Financial Privacy Act. In that respect, all employees will use, collect, and retain information on consumers only when there is an appropriate business purpose to do so. If for marketing purposes, Open Mortgage or its employees obtains a prescreened list to offer mortgage loan products, Open Mortgage will clearly disclose to affected consumers their right to "opt-out" of this process, thereby further limiting the availability of consumer information to unauthorized parties.

Open Mortgage will provide customer information to third parties only when authorized by the customer or required by law. Further, it is the policy of Open Mortgage to maintain updated, complete, and accurate information on our customers. Any necessary corrections conveyed by the customer shall be made as soon as practicable.

It is the policy of Open Mortgage to limit employee access to customer information to those situations in which there is an appropriate business purpose for the employee obtaining the information. Customer information may not be reviewed simply out of curiosity and may not be shared with others without authorization. The corporation's auditor will monitor employee access to customer information. Management will take appropriate disciplinary measures to ensure adherence to this policy.

Open Mortgage will discard any information, which is not needed, and maintain private information in a form, which protects the customer to the extent possible in case of a burglary.

Employees shall be trained on an ongoing basis to ensure they are aware of Open Mortgage's stringent privacy protection policy and of the repercussions associated with not complying with this policy.

Should Open Mortgage's employees suspect an unlawful attempt to obtain a customer's confidential information, a Suspicious Activity Report will be filed and all appropriate regulators notified. Local law enforcement agencies will be alerted when immediate action is necessary or their awareness is otherwise warranted.

Privacy in an electronic environment is addressed in Open Mortgage's Electronic Privacy Policy, which is attached and made a part of this policy.

Electronic Privacy Policy

It is the policy of Open Mortgage to recognize and respect the privacy expectations of all our customers and make available the privacy guidelines to all customers.

With the rapid growth in electronic commerce conducted over the Internet, Open Mortgage deploys on-line systems to facilitate the convenient delivery of services and it is the policy of the Open Mortgage to safeguard our customer's sensitive information. Open Mortgage considers the privacy of our consumers' personal information an important element of their trust and confidence in the corporation.

It is the policy of Open Mortgage to collect, retain, and use the information about customers only where such information is believed to be useful and allowed by law to administer the business of Open Mortgage to provide products, services, and other financial opportunities to its customers.

It is the policy of Open Mortgage to limit employee access to personally identifiable information to those with a business reason for knowing such information. Open Mortgage has in place a training program to educate the employees so that they will understand the importance of confidentiality and customer privacy.

Open Mortgage maintains appropriate security standards and procedures regarding unauthorized access to customer information. It is the policy of Open Mortgage to take disciplinary measures to enforce employee privacy responsibilities.

It is the policy of Open Mortgage not to reveal specific information about customer accounts or other personally-identifiable data to unaffiliated third parties for their independent use, except for the exchange of information with reputable information reporting agencies to maximize the accuracy and security of such information or in the performance of bona fide corporate due diligence, unless 1) the information is provided to help complete a customer-initiated transaction; 2) the customer requests it; 3) the disclosure is required by/or allowed by law (e.g., subpoena, investigation of fraudulent activity, etc.); or 4) the customer has been informed about the possibility of such disclosure for marketing or similar purposes through a prior communication and is given the opportunity to decline (i.e., "opt out"). If a third party attempts by artifice or fraud to obtain confidential customer information from Open Mortgage, Open Mortgage shall file an appropriate Suspicious Activity Report.

If personally identifiable customer information is provided to a third party, it is the policy of Open Mortgage to insist that the third party adhere to similar privacy principles that provide for keeping such information confidential.

Open Mortgage makes available this policy, and its management and employees stand ready to assist customers with concerns regarding financial privacy expectations.

Employment Policy

Branch Managers are responsible for hiring decisions in their branch and must be made in accordance with the policies and guidelines noted below. It is assumed that the Branch Manager will perform all necessary due diligence during the hiring process (checking references and background as needed). All employees are required to enter into an Employment Agreement with Open Mortgage. When disciplinary measures are required, Open Mortgage Corporate staff will work with the Branch Manager to resolve the issue. In some cases, Corporate may require that the employee be terminated for cause as outlined in the Employee Agreement.

It is the policy of Open Mortgage (the "corporation") to comply with all aspects and requirements of all equal employment opportunity laws of the United States and the states in which we operate, as they apply to the business and operations of the corporation. Specifically, it is and shall be the policy of the corporation to not: (1) fail or refuse to recruit, hire, or discharge any person, or otherwise discriminate against any person with respect to his or her compensation, terms, conditions, or privileges of employment because of such individual's race, color, religion, sex, age, familial status, or national origin; (2) limit, segregate, or classify its employees or applicants for employment in any way which would deprive or tend to deprive any individual of employment opportunities or otherwise adversely affect his or her status as an employee because of such individual's race, color, religion, sex, age, familial status, or national origin; or (3) fail or refuse, upon and subsequent to the hiring of an individual, to promote, transfer, train, increase rates of pay, or offer other forms of compensation, or preclude the job advancement of an individual because of such individual's race, color, religion, sex, age, familial status, or national origin.

Further, it is and shall be the policy of the corporation to not discriminate against a qualified individual with a disability because of the disability of such individual in regard to job application procedures, the hiring, advancement, or discharge of employees, employee compensation, job training, and other terms, conditions, and privileges of employment.

It is and shall be the policy of the corporation to not print or publish, or cause to be printed or published, regardless of the media used, any notice or advertisement relating to employment by Open Mortgage indicating any preference, limitation, specification, or discrimination.

Open Mortgage shall take affirmative action, as required by any and all laws of the United States and the states in which we operate, to ensure that minority applicants are employed, and treated during employment, to the extent that they fairly and adequately reflect the minority composition of the community or communities in which Open Mortgage conducts its business and operations. Such affirmative action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training.

It is and shall also be the policy of the corporation to not discriminate against any employee or applicant for employment because such employee or applicant for employment has opposed any practice forbidden under paragraphs 1, 2, 3, or 4 of this Employment Policy, or because such employee or applicant for employment has made a

charge, testified, assisted, or participated in any manner in any investigation, proceeding, or litigation involving paragraphs 1, 2, 3, or 4 of this Employment Policy.

When it is found by the corporation, court, or any federal or state department, agency, division, or branch of government that the corporation has previously discriminated against persons under any equal employment opportunity laws of the United States or the states in which we operate, it is and it shall be the policy of the corporation to take affirmative action to overcome the effects of prior discrimination and discriminatory practices.

The corporation shall develop and maintain a training program to educate all employees regarding the requirements of this policy. Management shall report to the board of directors at least semiannually regarding the corporation's compliance with this policy and any suggested changes to this policy.

Fair Housing Act Policy

It is the policy of Open Mortgage to comply with all aspects of the Fair Housing Act as it applies to the business and operations of Open Mortgage. Specifically the corporation and its Branches shall display the Fair Housing Act poster in the lobby of its main office and all of its branches and in each area of its facilities that is specifically designated for the purpose of dealing with residential loan applicants. In all of its advertising of loan products designed to be secured by residential real estate the fair housing symbol and the words "Equal Housing Lender" shall be prominently displayed.

In the event Open Mortgage becomes the owner of residential real estate through foreclosure or otherwise, it shall not discriminate on an improper basis in the sale or leasing of the property or in the advertising for the sale or lease of the property.

File Audit and Compliance Policy

Compliance with state and federal laws is crucial to the survival of Open Mortgage. The mortgage industry is highly regulated, and rules and regulations are increasing all the time. If we do not comply we risk being shut down. Also, Open Mortgage desires to foster a 'Best of the Best' environment. If we allow any branches to get by with sub-standard lending practices it will reflect poorly on all the branches.

For these reasons every loan file is audited after the file closes, and before the loan officer is paid. The loan officer fills in a checklist on the 'Loan File Record' in CABO before turning the file in. This serves as a final check for the loan officer and allows corporate to know what items to expect in the file. (For example, income docs would not be checked on a stated loan because they are not a program requirement.)

Corporate auditing will review the file against the checklist in the Loan File Record, and against program guidelines. They also make standard checks for compliance items and consistency. If everything is in place the file is marked 'Accepted' in CABO and the transaction is closed and the loan officer is paid. If there are problems or missing items the file is placed 'On Hold'. Corporate auditing will write up the findings in the comment section of the Loan File Record. CABO will automatically send an email to the Loan Officer and the Branch Manager stating that the loan is on hold, and listing missing items and comments. The Loan officer will then submit the missing items and make any corrections that are possible, and legal, to make. When all the corrections have been made the file will be marked 'Accepted' by auditing, and the transaction will proceed as usual. Files that have problems that cannot be fixed will be marked 'Failed'.

When good files are received by corporate they take about 10-12 minutes to review, accept, and file. When files have problems they often require 1-2 hours of auditing time, and they require time from the highest paid, most experienced people. For the Open Mortgage model (doing a lot for the branches, for a small set fee) to work, we must avoid files that do not go through the system smoothly.

Compliance Violations

CABO is set up to charge a 'Compliance Violation' fee. At the time of the writing it is \$100, but is adjustable in CABO. This fee assigned by an auditor, and is specifically for repeated compliance violations. Open Mortgage wants loan officers who are the best of the best. Each time we have a bad file we risk our reputation. We risk audit fines from states. We risk losing state licenses and our HUD approvals. We do not charge the Compliance Violation fee the first time that someone makes an error. The fee is used to signal a loan officer and branch manager that an error has occurred repeatedly, which is putting the company at risk. Loan originators with repeated compliance violations should expect to be terminated.

Re-Review Fee

Open Mortgage may also charge a **re-review fee** on files that have been placed on hold and have conditions that must be reviewed again so that the file can be Accepted. The goal of the fee is to encourage loan officers to turn in clean files the first time, so they can be paid promptly and corporate can move through a large number of files quickly.

The fee is not regarded as a revenue source for the company, and we regret charging it. Current experience shows that many branches fail the first one or two file audits, but tend to improve and pass most audits after that. A very few branches continue to have problems producing clean files, and submitting documents properly for the audit. Branches that are unwilling or unable to improve their file quality to an acceptable level will be terminated, as they pose to great a risk and expense to the company and the other branches.

Originally, the re-review fee was assigned manually. To automate the process CABO now tracks whether each file is put on hold or not, and whether it passes audit. A loan officer's audit record is visible on his/her loan record pages. CABO can be tuned how to charge the re-review fee. At the time of this writing it is set to charge the branch on the 3rd file put on hold, and on subsequent files put on hold. However, if 3 files in a row pass without being put on hold the count is cleared, and you would not be charged until you had 3 put on hold again. (not an issue for most people.) The fee is currently \$60.

Time Penalty

There is no explicit time penalty when a file is placed 'On Hold'. However, you should expect an additional 48-hour delay in getting paid. Also, each time you turn in missing items you should expect a 24-hour delay before they are reviewed. This is because all fresh incoming files will be reviewed first to keep the pipeline moving, and files placed on hold will be re-reviewed as time permits. This is done in fairness to the majority of clean files. Calling and hounding the auditing department to see if your conditions have been reviewed is not advised, as it makes it impossible for us to work efficiently with you.

Health Insurance Policy

Health Insurance is provided through Principal.

Every full-time employee may be eligible to participate.

Eligibility begins 90 days after joining the company.

Premiums are collected in advance, at the first of the month, for the month covered.

The branch pays 50% of the premium; the employee pays 50%.

A branch can choose to allow its employees to owe the branch a certain amount of premium or it may choose to require employees to stay completely current on premium payments. CABO can track the employee's insurance premium balance (money set aside or money owed the branch) in the employee's personal account.

Loan Officers can set aside money for future premiums by requesting a deduction from loan proceeds on the transaction sheet.

If the employee allows coverage to lapse, coverage may not be reinstated until the annual open enrollment period.

It is the insurer's policy that when an employee elects coverage they are making a one-year commitment.

Internal Audit Policy

It is the policy of Open Mortgage, LLC to continually monitor its operations for the purpose of assuring that it is operating in a safe and sound manner and that is in compliance with all state and federal regulations. The audit committee of the Board of Directors is responsible for this function. The audit committee shall employ an internal auditor and such other staff as may be necessary. The internal auditor shall report to the audit committee and the committee shall determine the internal auditor's compensation. The internal auditor shall be independent of all functions of the corporation.

All activities of the corporation are within the responsibility of the audit committee and the internal auditor. The internal auditor, with the advice and direction of the audit committee, shall establish audit programs and schedules to audit all functions of the corporation with emphasis placed on those functions that have the greatest risk or potential of loss and on those where prior reviews have indicated problems. The internal auditor shall report his or her findings to the audit committee at least monthly.

Among other duties that may be assigned to the internal auditor by the audit committee, it shall be the responsibility of the internal auditor to:

- Review the reliability and integrity of financial and operating information and the means used to identify, measure, classify, and report such information
- Review the systems established to ensure compliance with the corporation's policy, plans, and procedures, and federal and state laws and regulations which could have a significant impact on operations and reports, and determine whether the corporation is in compliance
- Review the means of safeguarding assets and, as appropriate, verify the existence of such assets
- Review operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operations on programs are being carried out as planned.

In overview, it shall be the responsibility of the internal audit function to monitor all operations of the corporation and assure that proper controls are established, maintained, and followed.

Note: It is the responsibility of corporate management, not the internal auditor, to establish and maintain the internal control system.

Internet Policy

It is the policy of Open Mortgage to offer mortgage loan application services to its customers in a safe, sound, and cost-effective manner, while maintaining compliance with both the letter and the spirit of all applicable laws, regulations, and regulatory pronouncements governing the delivery of such services. For purposes of this policy, Internet services shall be restricted to include only the advertising and promotion of Open Mortgage products, the processing of customer requests to originate mortgage loans, and the delivery of customer loan information through customer initiated inquiries.

Administration

The Chief Technical Officer is responsible for the ongoing maintenance of related operating systems and the creation of appropriate operating policies and procedures necessary to conduct the business of Open Mortgage within the scope of this policy.

System Access/Integrity

Internet hardware and software systems shall be controlled and protected in a manner that ensures compliance with safe and sound financial services industry standards for hardware and software security, and applicable regulatory pronouncements as issued. Individuals will be allowed access to Internet systems based upon user identification, password and other access filters or controls deemed appropriate dependent upon the nature of the system accessed and the transaction requested. User Identification, Password, or alternate access control devices or codes, are to be issued in a controlled manner in accordance with written policies and procedures that ensure issuance only to properly authorized individuals who have entered into appropriate contracts for Internet services and have acknowledged receipt of required disclosures.

Customer Agreements

Access to the corporation's Internet site containing general information about the corporation and about services available will be available to all Internet users without need of prior corporate authorization. Access to account inquiry or transfer functions will require prior execution of an appropriate agreement between the corporation and the customer for mortgage loan services. If the customer is not an individual, it will also require authorizing resolutions of the governing body of the customer. The agreement will require approved users to use appropriate combinations of user identification, password, or other access devices or codes to gain access to Internet features.

Regulatory Compliance Considerations

The Internet site will be maintained in conformance with disclosure, advertising and operational requirements imposed by the Truth in Saving Act (Federal Reserve Regulation DD), the Truth in Lending Act (Federal Reserve Regulation Z), the advertising rules and regulations of the Federal Deposit Insurance Corporation, and the advertising rules of HUD. The corporation shall also publish in a prominent fashion its current policy with regard to the privacy of information collected through Internet site operations. This policy will be posted in advance of requesting information from any person visiting the Internet site. When the corporation publishes its privacy notice (and opt-out notice, if required), it shall also be posted in a prominent place on the Internet site.

Selection of Vendors

Open Mortgage shall follow the guidance of the Federal Financial Institution Examination Council (FFIEC) in the selection of hardware, software, and other vendors for the operation of its Internet site. Open Mortgage will review the financial integrity of all proposed vendors, as well as the vendors' product capabilities. Open Mortgage will also review the compatibility of any new automation products or services with the automation products and services that it presently employs.

Backup

The corporation will ensure that there is an appropriate backup and disaster recovery arrangement for all critical Internet related banking functions, and that backup and disaster recovery arrangements are appropriately maintained and tested from time to time.

Security of Other Systems

There shall be firewalls or other types of security between the Internet system and its communication with any other automation systems of the corporation to prevent access to the corporation's other systems in an unauthorized manner by anyone accessing Open Mortgage's Internet site. The systems shall have automated monitors that will show any instance of attempted intrusion. An unauthorized intrusion into the corporation's systems could cause significant loss to the corporation. Accordingly, the security adopted to prevent such intrusion shall receive the appropriate priority, both in its selection and in its monitoring.

Record Retention

The Internet site shall be maintained in a manner that will allow for the reproduction of information displayed at the site for a period of at least two years after first put into use. Records with regard to transactions generated through site operations will be maintained in accordance with the record keeping standards for the specific accounts accessed through the Internet system.

E-Mail and Voice Mail Policy

Open Mortgage and Its Branches have provided a facility to enable its customers to communicate with employees of the corporation through the use of electronic mail and voice mail. It has also provided a facility whereby employees may communicate with one another through the use of electronic mail and voice mail. Accordingly, Open Mortgage has adopted the following policies for the use of its electronic mail and voice mail systems.

Electronic Mail

It is the policy of Open Mortgage that its electronic mail system be used only for mortgage lending related business and for no other purpose. Employees of the corporation shall not use the corporation's electronic mail system for any purpose other than the communication of mortgage lending business. Customers of the corporation shall be discouraged from using the corporation's e-mail system to communicate with an employee for any purpose other than the corporation's business. The corporation's security officer shall monitor electronic communication through the corporation's system to enforce this policy.

It is the policy of Open Mortgage that any communication from a customer received through the corporation's electronic mail system shall be acted upon with the same urgency and diligence as if the communication had been received in writing. Accordingly, each employee who has the capacity of receiving electronic mail shall check his or her mailbox at least once at the end of each morning and once at the end of each afternoon. A printed record shall be made of each customer request that requires a response or action on the part of the corporation, such as a loan application. The printed record shall be given to the person in the Branch responsible for the handling of the issue in question.

When an employee is absent from the corporation for one-half day or longer, it is the responsibility of the employee's supervisor to review any e-mail messages that the employee has received and act upon them appropriately.

Voice Mail

It is the policy of Open Mortgage that any communication from a customer received through the corporation's or Branches voice mail system shall be acted upon with the same urgency and diligence as if the communication had been received in writing. Accordingly, each employee who has the capacity of receiving voice mail shall check his or her mailbox at least once at the end of each morning and once at the end of each afternoon. Any customer request that requires a response or action on the part of Open Mortgage, such as a loan application shall be transcribed. The transcription shall be given to the person in the Branch responsible for the handling of the issue in question.

It is the policy of Open Mortgage that the standard outgoing message for each employee is "This is the mailbox of (employee name) at Open Mortgage. Please leave a message." If the employee is not going to be in the office during a business day, the outgoing message should be "This is the mailbox of (employee name) with Open Mortgage, I will be out of the office until (scheduled return date)."

Know Your Customer Policy

As part of Open Mortgage's overall compliance with the Corporation Secrecy Act (BSA; see separate BSA policy), it is the policy of Open Mortgage to have a clear and concise understanding of all customer practices in order to avoid criminal exposure to the corporation by any "customer" who would use the Corporation's resources for illicit purposes. The objective of this policy is to ensure the immediate detection and identification of suspicious activity at the institution.

Open Mortgage recognizes that appearances can be deceiving. Potential customers may appear to be legitimate, but in reality could be conducting illicit activities. Likewise, legitimate customers may be turned away from the corporation because their activities are perceived to have a criminal tone. It is also important to realize that various influences on legitimate customers may transform such customers into wrongdoers. Accordingly, it is the policy of the Corporation to incorporate the following principles into its business practices:

- Open Mortgage and its employees shall make a reasonable effort to determine the true identity of all customers requesting the corporation's services;
- Open Mortgage and its employees shall obtain identification from all new customers;

Loan Transactions

Loan transactions have become a common vehicle for criminal enterprises wishing to take advantage of the proceeds of their illegal activities. Therefore, it is Open Mortgage's policy to apply its "know your customer" policy to customers requesting credit facilities from the Corporation.

Suspicious Conduct and Transactions

There are certain activities that are suspicious in nature and which shall alert the Corporation as to the potential for the customer to conduct illegal activities at the corporation. These activities, broadly defined, are:

- Insufficient, false, or suspicious information provided by the customer.

Loan Officers and Credit Administration Personnel

- Customer's stated purpose for the loan does not make economic sense, or customer proposes that cash collateral be provided for a loan while refusing to disclose the purpose of loan.
- Borrower pays down a large problem loan suddenly, with no reasonable explanation of the source of funds.
- Customer collateralizes loan with cash deposit.

Legal Policy

Open Mortgage has Branch Manager agreements and Loan Officer agreements. All loan originators and branch managers must sign the appropriate agreement to work with Open Mortgage. Employees of a branch are employees of Open Mortgage, and should not be co-employed by another mortgage company.

No employees at the branch level have the authority to modify the existing employee agreements, or to create new agreements. Employees at the branch level do not have the authority to create any legal agreements binding upon Open Mortgage, LLC.

Similarly, branch employees do not have the authority to enter into binding agreements, such as leases, in the name of Open Mortgage.

Lending Policy

It is the policy of Open Mortgage (the “company”) to comply with all aspects and requirements of the Fair Housing Act, Equal Credit Opportunity Act, and all equal opportunity laws of the United States and of the states in which we operate as they apply to the business and operations of Open Mortgage. Specifically, it is and shall be the policy of the company not to discriminate against any person based upon race or color, national origin, religion, sex, familial status, or handicap, in any aspect of a residential real estate transaction, including, but not limited to: making loans to buy, build, repair, or improve a dwelling; purchasing real estate loans; selling, brokering, or appraising residential real estate; and selling or renting a dwelling. The company shall display the Fair Housing Act poster in the lobby of its main office and all of its branches and in each area of its facilities that is specifically designated for the purpose of dealing with residential loan applicants. In the event the company becomes the owner of residential real estate through foreclosure or otherwise, it shall not discriminate on an improper basis in the sale or leasing of the property or in the advertising for the sale or lease of the property.

Further, it is and shall be the policy to make all of its products and services available to all qualified applicants without discrimination on the basis of race, color, sex, marital, or familial status, age (provided the applicant has the capacity to contract as determined under the laws of the states in which we operate), national origin, handicap (physical or mental), receipt of public assistance, or good faith exercise of rights under the Federal Consumer Credit Protection Act (the “prohibited basis”). No person shall be discouraged from applying to the corporation for any product or service and all applicants shall be provided the assistance that they require in the preparation and processing of an application to a successful conclusion.

Where it is found by the company, court, or any federal or state department, agency, division, or branch of government that Open Mortgage has previously discriminated against persons under the Fair Housing Act, Equal Credit Opportunity Act, or any other equal opportunity law(s) of the United States or the states in which we operate, it is and it shall be the policy of Open Mortgage to take affirmative action to overcome the effects of prior discrimination and discriminatory practices.

The advertising of the company and its employees and all of the company’s communications to the public shall be designed to make all of the company’s customers and potential customers aware not only that the company does not discriminate on any of the prohibited bases, but that the company encourages an opportunity to have a banking relationship with every member of the community. Additionally, in all of the company’s advertising of loan products designed to be secured by residential real estate, the fair housing symbol and words “Equal Housing Lender” shall be prominently displayed.

For all applications for credit to be secured by a dwelling that the company receives, the applicant shall be advised in writing of their right to receive a copy of the appraisal of the dwelling. All applicants for credit who are turned down by Open Mortgage shall receive an appropriate, timely, notice of adverse action.

The company shall develop and maintain a training program to educate all employees regarding the requirements of this policy and any amendments to it, and to provide procedures to implement the policy. Management shall report to the Board of Directors at least semiannually regarding the company’s compliance with this policy and any suggested changes to the policy.

Net Branch Policy

Open Mortgage is a Retail Mortgage Banker/Broker Company. We operate as a broker and as a lender. We may also be called a Net Branch company because we have branches where the branch manager is paid a commission, based on the net profit of the branch. This is where the term 'Net Branch' came from.

In May of 2000 HUD issued Mortgagee letter 00-15 addressing the topic of 'Net Branches'. In a nutshell, HUD says it is ok to pay branch managers a commission that is based on the net profits of the branch after all expenses. However, those branch managers must be employees of the parent company, and the branch offices must be a proper office of the company. Many companies now avoid the term 'Net Branch' because they feel that HUD has disallowed Net Branch companies. However, we believe that HUD has merely made it clear what is and what is not allowable.

It is allowable to be a single company, with many branches, where employees staff the branches. It is not allowable to be a loose association of branches, where non-employees staff branches, and where little regulatory control is exercised. Open Mortgage is NOT the latter.

It is our strong goal to remain fully in compliance with HUD Handbook 4060.1,Rev-1.

It is our policy that all branch managers, loan officers, and processors are employees of the company. And as such are paid on a W-2 basis. Open Mortgage pays all operating expenses of the branches including rent, utilities, payroll, credit reports, copier leases, supplies, etc.

No Dual Employment

Originating loans under multiple companies is illegal in most states. Open Mortgage does not allow dual employment. If you accept employment with Open Mortgage you may not originate loans through any other channel. This includes other lenders, brokers, net branch companies, or sole proprietorships. By accepting employment with Open Mortgage, whether W-2 or 1099, employee warrants that he/she will be employed exclusively by Open Mortgage, and will not be originating loans through any other company or channel.

Non-discrimination Policy

It is the policy of Open Mortgage, its Branches and Loan Officers to serve its entire designated community, and every person and organization therein, in compliance with safe and sound banking practices. Accordingly, neither Open Mortgage nor any employee, agent, director or official of Open Mortgage shall discriminate in any activity relating to the Corporation, or the business of the corporation, against any person because of the person's race, color, religion, national origin, sex, marital status, age, or physical disability; or because all or part of the person's income derives from a public assistance program or because the person exercised any right under the Consumer Credit Protection Act or any similar state law.

No person considering applying to the Corporation for a mortgage loan shall be discouraged from doing so. All persons desiring to apply to the corporation for a mortgage loan shall be provided any assistance that they need in preparing the mortgage loan application and in properly presenting their credit history.

All policies, mortgage lending standards, and hiring standards of the corporation shall be periodically reviewed to determine that there is no inadvertent effect or result there from that would violate this policy. If an effect of illegal discrimination is found, the corporation shall determine whether the policy, practice, or standard is a business necessity and if it is, whether there is a less discriminatory way to accomplish the same purpose. If no business necessity is found, or if a less discriminatory way is found to accomplish the same purpose, the policy, practices, or standard shall be amended accordingly.

The corporation's training department shall provide appropriate training and education to all corporation employees regarding the corporation's policy, the affirmative actions that employees must take, actions that employees must avoid, and actions that could constitute inadvertent violation of the corporation's policy.

The compliance officer shall develop procedures for implementing this policy and shall audit for compliance with the procedures. Quarterly, the compliance officer shall report to the board of directors regarding compliance with this policy.

Password Policy

It is the policy of Open Mortgage that all employees of the corporation that require access to the corporation's computer to perform their duties shall be given a unique password and user identification code for use in logging onto the corporation's system. Employees who do not require access to the corporation's computer system shall not be provided a password. It is against corporate policy for any employee to write down their password or to reveal it to any other person.

All passwords shall be modeled to the tasks that the employee holding the password requires access to perform their duties and no others.

All passwords shall be changed as needed, but not less than once every six months. Whenever a password holder's employment with the corporation is terminated, the computer operations department is to be notified and that employee's password is to be invalidated.

Personal Computer Policy

General Information

Personal computers are small, yet complete, computer systems. They include central processors, memory, and input and output units. They are also called micros or desktop computers. However, the most commonly accepted term is "personal computer" or "PC." Because important information is stored in PCs in the corporation, and can be changed or deleted by anyone using them, the PCs in the corporation must be subject to controls.

Policy

In order to protect the integrity of the data being processed, and in the interest of corporation security, generally, the following is the policy of Open Mortgage relative to personal computers.

1. Computer and Information Officer. Open Mortgage shall appoint a Computer and Information Officer (CIO) who shall have the responsibility for implementing and enforcing the policy.
2. Personally-Owned Personal Computer and Software. No employee shall bring any personally owned personal computer, any personal computer disk, or any software onto Corporation premises, or install any such item on a Corporation PC, without prior approval of the employee's department head or supervisor, and the CIO.
3. The Corporation's Personal Computers. No personal computer owned or leased by the Corporation shall be moved from its location without permission of the CIO and the appropriate department head or supervisor.
4. Third-Party Software. All third party developed software installed on any Corporation owned or leased personal computer shall be appropriately licensed from the software's vendor and approved by the CIO. The CIO shall be responsible for maintaining all of the licensing documents for any such installed software in a readily accessible location. Packaged software is usually licensed for use rather than purchased outright. Such proprietary software is protected by copyright. The license specifies how many copies the financial institution is entitled to use and identifies which machine(s) may use the software. Violations of the licensing agreement expose the institution to possible costly litigation. Also, they may lead to operational inefficiencies. Therefore, the Corporation will permit no unauthorized copies of copyrighted software to be used in the Corporation's personal computers.
5. Diskettes. Diskettes, which are not obtained from bonafide software vendors for business purposes, shall not be introduced to Corporation-owned personal computers. This includes but is not limited to diskettes that are personally owned by employees or received unsolicited by Corporation personnel at the Corporation. No computer diskette shall be used in connection with any Corporation owned or leased personal computer unless the diskette was obtained from the corporation's computer operations department, approved by the CIO, and analyzed for viruses (see below). All diskettes are to be returned to the computer operations department after use.

6. Antivirus Program. A computer virus is a rogue software program designed to damage computer operations. Such viruses have the potential of inflicting considerable damage upon the Corporation's operations. To combat this problem the CIO shall implement and maintain an ant virus program. In this regard, Open Mortgage shall obtain ant virus software, which is continuously updated by the software provider. The CIO shall obtain and install updates to the ant virus software on a regular basis as soon as the updates are available. The CIO shall also monitor and be aware of virus and ant virus news generally. The computer operations department is to check all personal computer disks in the Corporation for viruses periodically. If a virus is found, the computer operations department is to take all steps necessary to purge the virus from the Corporation's system.

7. File Backup. Decisions regarding application and file backup must be based on how critical the application or files are to the institution's operations. Therefore, users should backup files at least daily. In addition, program backup copies of the operating system software and the application software for non-critical applications should be placed in the fireproof vault Corporation. Backup copies of critical software should be delivered to the manager of computer operations for delivery to the Corporation's off-site storage facility. Backup copies of the programs must be updated as program changes are made. In addition, the Corporation will install commercially available ant virus software to be applied to all personal computers, which have critical applications running on them. The Data Processing Manager will check all other personal computers for viruses at least monthly. The CIO shall implement an appropriate backup procedure for all hardware and software connected to the Corporation's local area network (LAN).

8. Acquisition. Open Mortgage shall consider the following factors in making decisions regarding software and hardware acquisition:

- a. A cost benefit analysis shall be performed.
- b. Any software to be acquired shall meet accepted programming standards for the corporation's industry that are applicable.
- c. Any software to be acquired shall have appropriate documentation.
- d. The Corporation shall consider whether its needs can be met by in-house programming.

9. General Policies Governing the Use of Personal Computers.

a. Output and data generated by the Corporation's personal computers shall be for the exclusive use of the Corporation. No employee shall use such output or data for any other purposes without prior approval of the employee's department head or supervisor and the CIO.

b. From time to time, the Corporation's employees may find a potential use of the Corporation's personal computers for morale and welfare purposes. For example, a PC may be useful for keeping records of a sports league in which the Corporation may have a team. Such use of the Corporation's personal computers shall only be permitted with

the approval of the appropriate department head or supervisor and the CIO. Further, no such use of the Corporation's personal computers shall be permitted unless it can be done consistent with all other provisions of this policy. In no event shall any Corporation PC be used to facilitate gambling or any lottery. No one may make recreational use of any Corporation PC, including playing any games, which may be part of an otherwise business-oriented software package.

c. No one shall use any Corporation PC to access the Internet or any similar service, through any service provider whatsoever, for any purpose except the Corporation's business needs and with express authorization from the CIO. (For example, no unauthorized person shall use any Corporation PC for Internet access even on Corporation business, and no one, authorized user or, not, shall use any Corporation PC for access to non-business sites, such as games, pornography, or chat rooms.)

d. None of the Corporation's personal computers shall be modified without the approval of the CIO.

e. All employees shall take care to keep food, dust, dirt, magnetic fields, smoking, and drinks away from all of the Corporation's personal computers.

f. The CIO shall prepare and maintain a current inventory of hardware and software. As part of the inventory process, the CIO shall review data on the Corporation's personal computers to determine the importance and sensitivity of information on personal computers.

10. Physical Security. The Corporation's personal computers shall be kept in secure areas, and secured with key locks on machines. Removable disks with Corporation data shall be kept in secured containers when not in use.

11. Access Controls. The Corporation shall use passwords, data encryption, dial-up controls, and read-only restrictions as necessary to protect the security of the Corporation. Passwords shall be designed so as to not be easily decipherable.

12. Linking the PCs. The CIO shall be responsible for ensuring any PC is properly connected to a network and/or into the mainframe, as necessary.

13. Training. The CIO shall be responsible for implementing any appropriate personal computer training program.

14. Disaster recovery. The Corporation's hardware, software, computer-generated data, custom software, the LAN, and all other aspects of the Corporation's computer system are an integral part of the Corporation's disaster recovery policy, which is addressed in a separate policy statement.

Recruiting Bonuses Policy

Our best source of Branch Managers and Loan Officers is from referrals from our current Branch Managers and Loan Officers. To encourage you to recommend Open Mortgage to your colleagues and other mortgage professionals we have developed the following incentive program.

1. When a Loan Officer recommends another Loan Officer who joins his or her Branch, the Branch Manager is encouraged to pay them a bonus. The terms of the bonus (amount, period, any cap) are to be negotiated between the Branch Manager and the Loan Officer.
2. When a Branch Manager recommends someone who joins the company as a Branch Manager (upon completion of the application process), they are eligible for Open Mortgage's Spiff program. The Spiff Program compensates the Branch for each loan closed by the referred branch. The compensation rate is typically \$50 per file. The spiff is paid to the receiving branch automatically when a transaction is closed in CABO.
3. We encourage our Branch Managers to develop and nurture their employees. For some, it is a natural progression to want to start their own branch. When a Loan Officer of a Branch decides that they would like to open their own branch of Open Mortgage and is accepted by Open Mortgage, the referring Branch Manager will be compensated in the same manner as item 3 above.

We maintain a strict policy of not soliciting Loan Officers to start their own branch, however, should we learn that an existing Loan Officer had decided to leave the company, we reserve the right to interview the Loan Officer to learn his or her reasons for leaving and offer alternatives in some cases.

Regulation B, Equal Credit Opportunity, Policy

It is the policy of Open Mortgage to comply with all requirements of Regulation B and all equal opportunity laws of the United States. Specifically, it is and shall be the policy of Open Mortgage to make all of its products and services available to all qualified applicants without discrimination on the bases of race, color, sex, marital or familial status, age, national origin, handicap, receipt of public assistance, or good faith exercise of rights under the Federal Consumer Credit Protection Act (the "prohibited bases"). No person shall be discouraged from applying to the corporation for any product or service and all applicants shall be provided the assistance that they require in the preparation and processing of an application to a successful conclusion.

The advertising of the corporation and all of the corporation's communications to the public shall be designed to make all of the corporation's customers and potential customers aware not only that the corporation does not discriminate on a prohibited basis, but that the corporation encourages an opportunity to have a mortgage lending relationship with every member of the community.

For all applications for credit to be secured by a dwelling that the corporation receives, the applicant shall be advised in writing of their right to receive a copy of the appraisal of the dwelling. All applicants for credit that are turned down by the corporation shall receive an appropriate, timely, notice of adverse action.

The corporation shall develop a training program to educate all employees regarding the requirements of this policy and to provide procedures to implement it. Management shall report to the board of directors at least semiannually regarding the corporation's compliance with this policy and any suggested changes to the policy.

Regulation Z, Truth in Lending, Policy

It is the policy of Open Mortgage to comply with all requirements of Regulation Z for loans, which the corporation brokers to individuals for a "consumer" purpose if the loan amount is \$25,000 or less or if real property or a dwelling secures the loan. Specifically, the corporation shall provide appropriate, accurate disclosures for each covered loan in a timely manner as prescribed by the regulation. If the transaction is not a "residential mortgage transaction" or a refinancing of a loan that Open Mortgage holds (and no new money is being advanced) and the loan is to be secured by the borrower's principal residence, then two copies of an appropriate notice of the right to rescind shall be provided to each affected borrower and funds shall not be disbursed until the requisite time for rescission has expired. All required notices and disclosures required to be provided to a borrower subsequent to the making of a loan shall be provided accurately and timely.

All advertising of consumer loan products shall comply with the advertising requirements of Regulation Z. The corporation's compliance officer shall have the responsibility of creating procedures to implement this policy and to provide training, as appropriate, for Open Mortgage's employees. Records and documentation of compliance with the regulation shall be maintained for a minimum period of two years.

RESPA Policy

It is the policy of Open Mortgage to comply with all provisions of the Real Estate Settlement Procedures Act and HUD's Regulation X. Specifically, the corporation shall provide to each applicant for a RESPA-covered loan timely and accurate disclosures as required by the regulation, including, when appropriate, a "Good Faith Estimate" of settlement and closing costs, HUD's Special Information Booklet, a Servicing Transfer Disclosure, and a HUD-1 Settlement Statement. If an escrow is established on a RESPA-covered loan, the escrow amounts shall be calculated in accordance with the requirements of the regulation, and appropriate initial and annual disclosures shall be provided to the borrower.

If the corporation transfers or acquires the servicing of any RESPA-covered loan, the corporation shall make a timely, accurate servicing transfer disclosure to the borrower.

The corporation and its employees shall neither give nor accept anything of value for the referral of a settlement service other than as compensation for the reasonable value of service actually performed.

It shall be the responsibility of the corporation's compliance officer to prepare procedures for the implementation of this policy and to provide training for the corporation's employees as necessary. Records and documents evidencing compliance with the regulation shall be retained for a minimum period of five years.

Regulation C, HMDA, Policy

It is the policy of Open Mortgage to comply with the Requirements of the Home Mortgage Disclosure Act and Regulation C.

Specifically, Open Mortgage will collect required data regarding applications for, and originations or purchases of, home purchase and home improvement loans (including refinancing of both). Such data will be entered on the HMDA/Loan Application Register within 30 calendar days after the end of each calendar quarter in which final action is taken. To the extent possible, Open Mortgage will collect information from each applicant regarding their race or national origin, and sex. If the customer chooses not to provide the information, Open Mortgage employees will note the data on the basis of visual observation or surname, to the extent possible.

The above data will be recorded on the HMDA/Loan Application Register for applicable applications regarding properties located within MSAs where Open Mortgage has a home or branch office.

Open Mortgage shall transmit its completed HMDA/Loan Application Register to its regulator by March 1 following each calendar year for which the application data are compiled. It shall retain a copy of its submission for at least three years.

Within three business days of the date on which Open Mortgage receives its mortgage loan disclosure statement from the Federal Financial Institutions Examination Council it shall make the statement available to the public at its home office. In addition, Open Mortgage will make the disclosure statement available in at least one branch in each MSA where it has offices or will post a notice of the address to send written requests for the disclosure statement in the lobby of each branch located in each MSA where Open Mortgage has offices. Open Mortgage shall make the disclosure statement available for five years.

If a request is received from the public for the corporation's modified HMDA/Loan Application Register, Open Mortgage shall make such a register available for each of the past three years in which it was required to compile and report HMDA data and for which it receives such a request. The modified HMDA/LAR will be made available by March 31 of the year following the HMDA reporting year, in response to requests received on or before March 1 of the following year. For requests received after March 1 of the year following the HMDA reporting year, Open Mortgage will make the modified HMDA/Loan Application available within 30 days after the request is received. The modified HMDA/Loan Application Register for each year will be made available to the public for three years.

Open Mortgage shall make both the HMDA disclosure statement and the modified HMDA/Loan Application Register available for inspection and copying during its normal business hours and shall post a general notice of the availability of its HMDA data in all of its offices that are located in an MSA.

Sexual Harassment Policy

It is a policy at Open Mortgage that sexual harassment is a prohibited personnel practice and may constitute a violation of law.

The purpose of this policy is to establish clearly and unequivocally that Open Mortgage prohibits sexual harassment by any of its employees, officers and members of the board of directors and to set forth procedures by which allegations of sexual harassment may be filed, investigated and adjudicated.

It is the policy of Open Mortgage to fully investigate any oral or written allegations of sexual harassment and take corrective or disciplinary action, as warranted, up to and including dismissal from employment.

It is the policy of Open Mortgage that any employee that believes that he/she has been the subject of sexual harassment should report the alleged act immediately to his/her supervisor or, if this is not appropriate, the Human Resources Officer. Any supervisors at Open Mortgage who receive any complaints from their employees concerning sexual harassment should also report them promptly to the Human Resources Officer. It is the policy of Open Mortgage that an investigation of any complaint will be undertaken immediately.

After an appropriate investigation, any employee of Open Mortgage who is found to have engaged in sexual harassment of another employee will be subject to appropriate sanctions depending on the circumstances. It is the policy of Open Mortgage that such an employee will be responsible for his/her own defense costs.

W-2 Status and Payment Policy

Status

Many of our lender agreements and some state laws require that people originating loans under the Open Mortgage umbrella be 'employees' of the company. That is typically taken to mean that those people are paid on a W-2 basis as opposed to 1099. However, there are some exceptions to that requirement. We are currently working with attorneys to clarify when a branch must be paid on a W-2 versus a 1099.

Branch Expense of W-2 Payment

Employer taxes associated with W-2 payments are a branch expense. The three cases are, the branch manager, an hourly or salaried assistant, and a commissioned loan officer.

Branch Manager

When a Branch Manager requests a payment he/she is requesting the gross amount to be paid. So if the Branch Manager requests \$3000, which will be taken as the gross payment amount used in the payroll system. The branch will be charged \$3000 PLUS the exact amount of employer taxes and workers comp insurance. This number is around 8% in most states, more in CA and IL.

Loan Officer

The company handles loan officers' commissions in a similar fashion. The Loan Officer commission is computed on the transaction sheet. That number is taken as a gross pay amount. Payroll is calculated on that amount and the amount of funds taken from the transaction is equal to the gross pay amount computed by CABO, PLUS the employer taxes and worker's comp insurance. Again, this is around 8% typically.

A Branch Manager may request a payment to a Loan Officer through CABO's payment request feature without that request being tied to a loan. In this case the payment is exactly like a Branch Manager payment in that the requested amount is taken as the gross pay, and the branch is charged the gross amount PLUS the employer taxes and worker's comp insurance premium.

Salaried or Hourly Assistants

A branch may hire administrative assistants, marketing people, receptionists, or any number of other employees. These people are paid on a weekly or bi-weekly basis. The total expense of the employee's salary plus employer taxes is taken directly from the branch account the day payroll is submitted.

Repayment of Overpayments

All employees, including branch managers and loan officers, are personally responsible for repaying overpayments by the company, regardless of when the error is discovered. If a loan officer is overpaid, the amount of overpayment must be repaid to the company. Similarly, if a branch manager is paid the profits from the branch, and then more expenses are discovered leaving the branch account negative, the branch manager is personally responsible to repay the overpayment.

Policy Acknowledgement

This policy document is applicable to all employees and/or contractors regardless of their position. Your support for this company's policy is crucial. It will protect your job and preserve the integrity of the company and your fellow employees.

I acknowledge receiving and reviewing the Open Mortgage Policy and Procedures document. I understand that policies may change or be added from time to time, and that new versions of this document will be available online at the company website.

I understand that I am responsible for complying with company policies.

In the event that I receive funds or am credited with funds to which I am not entitled, for whatever reason, I agree upon written demand, to return said funds to the company immediately or to the escrow agent for disbursement. In the event that suite is brought to enforce the return of said funds, the parties agree to reimburse the prevailing party for reasonable Attorney Fees.

I warrant that I will be employed exclusively by Open Mortgage, LLC, and will not be originating loans through any other company, or through myself as a Broker.

Employee Signature

Employee Name

Date

FHA-Branch Agreement

For a branch of Open Mortgage to originate FHA loans, that branch must be registered with HUD (The Department of Housing and Urban Development). The branch manager must request HUD approval, and the corporate office will make the filing with HUD.

Operating as a HUD approved branch carries certain additional conditions and responsibilities. This document is a summary of those responsibilities and a commitment by the Branch Manager or Loan Originator to fulfill those responsibilities. Open Mortgage has the highest level of approval offered by HUD. We value that approval, and respect the responsibilities it places upon us as a company.

You must maintain an office that is acceptable to HUD and display the proper signage.

According to the HUD Memo of May, 2000, it is permissible for a company to have multiple branches, and a branch manager may be paid the net profit in the branch after expenses. However, the company must be one legitimate company, not an amalgam of separate companies. HUD approved branches must understand they are employees of Open Mortgage, and operate as a legitimate integral branch of the company.

Branch expenses are to be paid through Open Mortgage accounting, and only legitimate expenses should be paid. No payments will be made to non-existent or 'sham' companies. No payments will be made for services not actually provided. The company does not condone violations of RESPA, and you commit to understand RESPA and avoid violations of the Act.

All employees of a HUD-approved branch must be full-time employees, paid by W2. Employees may not have a second job as a settlement service provider, including Realtor, Title services, Appraisal, etc. It is permissible to have a second job if it is not related to the industry as a real estate settlement services provider, and is approved by your branch manager.

HUD guidelines change over time. HUD memos will be published on HUD's website, and will often be forwarded to employees of the company. It is your responsibility to read and understand HUD memos and guidelines as they are published, and to attend any trainings offered to stay informed. Underwriting will not process your loans, so you must know what is acceptable to HUD, and what is not. The guidelines are covered in their handbook 4155, which is available in CABO Knowledge. All memos and mortgagee letters can be found on HUD's HUDCLIPS website.

By signing below I certify that I have read the policies above, and agree to abide by them.

I understand that my branches HUD approval may be revoked by Open Mortgage, LLC at any time, as the company sees fit, to maintain its overall HUD compliance.

Name: _____

Branch: _____

Signature: _____ Date: _____