



October 10, 2007

To all Current Allied Capital Brokers:

You are receiving this package to fill out because you are already an approved broker with Allied Capital. However, we need to update our records with your current information. **Please fax the forms below to 610-680-3838 or email them to broker.approvals@goalliedcap.com.**

Allied Capital requires the following forms:

- ✓ Allied Capital Broker Agreement
- ✓ Allied Capital Branch Set-Up Form (filled out for each branch)
- ✓ Letter of Good Standing from the Broker's corporate office (for each branch)
- ✓ Licenses and/or exemptions for all lending states (for each branch)



BRANCH SET-UP FORM

Once a Broker's corporate office is approved each branch can be set-up with this form. To set-up your branch, please submit copies of the branch's current lending licenses or exemptions, a Letter of Good Standing from the company's corporate office and this form. These items can be emailed to broker.approvals@goalliedcap.com or faxed to 610-680-3838. Thank you!*

ACCOUNT EXECUTIVE: _____

COMPANY NAME: _____

DBA: _____

FHA LICENSE #: _____

ADDRESS: _____

PHONE: _____ FAX: _____

BRANCH MANAGER: _____

BRANCH MANAGER'S EMAIL ADDRESS: _____

BRANCH MANAGER'S SIGNATURE: _____

* By completing this form you are stating your intent to enter into a business relationship with Allied Capital. You are giving your permission to Allied Capital to solicit business from you and any employee directly related to your branch. This form is in conjunction with the approval packet completed by your corporate office.



ALLIED CAPITAL BROKER AGREEMENT

THIS AGREEMENT is entered into in the State of Pennsylvania this _____ day of _____, _____ between Allied Mortgage Group Inc, hereinafter referred to as "ALLIED", and

hereinafter referred to as "Broker."

WHEREAS, the parties wish to establish a non-exclusive relationship between and for the benefit of ALLIED and Broker, Broker will submit to ALLIED, from time to time, selected and completed applications of eligible applicants for mortgage loans for review, underwriting and potential approval by ALLIED.

AGREEMENT

NOW, THEREFORE, in consideration of the promises, covenants and agreements hereinafter contained, the parties agree as follows:

1. General Broker Responsibility:

Broker shall perform all of the following duties and functions at Broker's sole expense and Broker agrees to truthfully provide and perform these conditions in addition to the other promises, representations and covenants contained herein:

Submit to ALLIED completed mortgage loan application packages ("Packages") from applicants using such forms and under such programs, procedures and fee schedules as ALLIED periodically may establish.

- A. Furnish ALLIED the applicant's credit, financial and other information as ALLIED may require.
- B. Provide such additional information as ALLIED may reasonably request to assist ALLIED in marketing the mortgage loans to the secondary market. Broker understands that such a request may occur after the closing of the mortgage loan by ALLIED.
- C. Perform such other services as ALLIED shall require to close a mortgage loan.
- D. Comply with all applicable local, state and federal laws, including but not limited to, Real Estate Settlement Procedure Act, the Equal Credit Opportunity Act, the Truth-In-Lending Act, the Fair Credit Reporting Act and any other governmental regulatory requirements relevant to brokerage of real property secured loan applications in each jurisdiction where the real property securing the promissory note is located.

2. Broker is an Independent Contractor:

Broker acknowledges that nothing in this Agreement shall be construed to create a joint venture between Broker and ALLIED. In addition, nothing in this Agreement shall be construed to make Broker a partner, agent, representative, or employee of ALLIED, and Broker shall not hold itself out as such. Broker may not use ALLIED'S name in any advertising medium. Broker agrees that it shall conduct any and all business activities as an independent contractor to ALLIED. As an independent contractor, Broker shall determine the method, details and means of performing of all services described within this Agreement.

3. Broker's Warranties:

Broker represents and warrants to ALLIED at the time any mortgage loan Package is submitted to ALLIED, at the time that any mortgage loan is funded and closed that:

- A. Broker shall not submit any Loan application or related document that contains any false, fraudulent, or misrepresented information or statements, or omit any material fact necessary to make any statement or information included in such Loan application or related document true and accurate. Broker shall be responsible for all actions taken in the course of its performance of its obligations under this Agreement and acknowledges that it is responsible for fraud, whether performed by Broker, its Employees, its licensees, the applicant or any third party vendor. Broker understands and agrees that in the event ALLIED reasonably believes misrepresentation or fraud (e.g., instances of misstatements and/or inconsistencies generated either by the Broker or with the Broker's Knowledge) exists in a Loan application or Loan document, ALLIED may report such misrepresentation or fraud to the appropriate state and federal regulatory authorities, law enforcement agencies, and fraud databases. Broker acknowledges the importance of ALLIED'S right and necessity to disclose such information. Broker waives any and all claims for liability, damages, and equitable or administrative relief in connection with ALLIED'S disclosure of such information

- B. Unless otherwise exempt, Broker is in compliance with all business licensing requirements to do business in the state(s) in which Broker originates any mortgage loan and possesses and agrees to maintain as valid, all necessary licenses, permits, and authority to engage in activities contemplated by this agreement.
- C. Unless disclosed to ALLIED in writing before the funding of any mortgage loan, Broker shall not receive any direct or indirect payment from any person other than the applicant with respect to the mortgage loan, including, without limitation, a payment involving escrow, appraisal or sale, and Broker (and Broker's agents, employees, officers and directors) shall have no direct or indirect ownership in any property intended as security for the mortgage loan being reviewed by ALLIED without prior approval by ALLIED.
- D. Broker, if it is a corporation, is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation, and has full power and authority to own its assets and carry on its business as it is now being conducted, and is duly qualified to transact business where such qualification is required.
- E. All real estate appraisals made in connection with each mortgage loan shall have been performed in accordance with ALLIED'S Underwriting Guidelines and in accordance with industry standards in the appraising industry in the area where the appraised property is located and accurately represents the value of the appraised property. All of the appraisers selected by the Broker who have performed appraisals in connection with the Mortgage Loans submitted to ALLIED for funding have been properly licensed and are currently approved in accordance with the provisions of the Wholesale Seller Guide.
- F. That all mortgage loan applications submitted to ALLIED will be originated and prepared by trained employees of Broker, competent in all relevant aspects of mortgage lending activities and will be properly originated, prepared and completed in accordance with the procedures and guidelines of ALLIED which shall be known to Broker. Further, Broker agrees to deliver to ALLIED any and all exhibits or documents obtained or prepared by the Broker in connection with each loan submitted.
- G. That Broker has the requisite authority and capacity to enter into this Agreement.
- H. Any mortgage loan Broker submits to ALLIED have met all material requirements of federal, state, or local laws, including but not limited to, Usury, Truth-In-Lending, Real Estate Settlement Procedures, Consumer Credit Protection, Equal Credit Opportunity, Loan Disclosure Laws, the Flood Disaster Protection Act, and the Fair Credit Reporting Act and Broker shall maintain in its possession, available for ALLIED's inspection, and shall deliver to ALLIED upon demand, evidence of compliance with all such requirements.
- I. Broker has no knowledge of any circumstances or conditions with respect to the loan submitted to ALLIED for underwriting or funding, that the mortgaged property, the mortgagor or the mortgagor's credit standing can be reasonably expected to cause institutional investors to regard the Mortgage Loan as an unacceptable investment, cause the Mortgage Loan to become delinquent or materially adversely affect the value or marketability of the Mortgage Loan.
- J. With regard to FHA or VA insured Mortgage Loans, the Federal Housing Commissioner or VA, as applicable, has or will issue his Mortgage Insurance Certificate or Loan Guaranty Certificate; and payment due on the mortgage insurance premium has been paid to the insuring authority by ALLIED; nothing has been done or omitted, and no circumstances exist, the affect of which act, omission or circumstance would invalidate the contract of insurance with the FHA or VA as applicable; and the Mortgage Loan complies with the regulations of the FHA or VA as applicable.
- K. All information submitted by Broker to ALLIED with regard to the Mortgage Loan, including all written materials, are presented and warranted by Broker to be true, correct, currently valid and genuine; in all material respects, as to information within Broker's knowledge and as reported by each applicant.
- L. To the best of Broker's knowledge, there are no undisclosed agreements between the Mortgagor and Broker concerning any facts or conditions, whether past, present or future, which might in any material way affect the obligations of the Mortgagor to make timely payments or make the Mortgage Loan non saleable in the secondary market.
- M. Broker shall promptly advise ALLIED of any material change relating to the Broker including, but not limited to, a change in ownership, financial condition or senior management.
- N. With respect to subsection (A) through (N), inclusive of this section 3, Broker will promptly notify ALLIED if Broker becomes aware of any terms, conditions, warranties, representations or covenants hereunder become untrue or incomplete in all material respects in the future.

4. Indemnification:

Broker agrees to indemnify and hold ALLIED harmless from any and all liability, claims, loss or damage resulting from any act or omission of Broker. If any claim, action or proceeding shall be asserted or brought against ALLIED by reason of any such act or omission of Broker, Broker shall, upon demand, obtain representation by legal counsel acceptable to ALLIED to defend ALLIED against any such action and/or claim and Broker shall pay all reasonable costs incurred in such defense. Furthermore, Broker agrees to defend, indemnify and hold ALLIED harmless with respect to any damages arising from or in connection with Broker's use, for any Mortgage Loan, of any non-industry standard form not provided or approved by ALLIED. Broker further agrees to defend, indemnify and hold ALLIED harmless from miscalculations and other errors which results from Broker's independent application and processing procedures and for its misuse of forms required by ALLIED. Broker also agrees to defend, indemnify and hold ALLIED harmless from claims asserted against ALLIED under provisions of RESPA, including without limitation, claims based upon, or arising as a result of, any payments received by Broker in the nature of yield spread premium, service released premium, back points, discount points, broker rebates, and the like. All of the aforementioned

representations and warranties shall survive the closing of each Mortgage Loan transaction, and shall insure to the benefit of ALLIED, and its successors and future assignees.

Broker agrees to indemnify and hold ALLIED harmless from any and all liability, claims, loss or damage (including without limitation, attorney fees and other litigation expense), extraordinary servicing costs, carrying costs related to any default of the subject mortgage loan to include any litigation, bankruptcy, foreclosure or sale of property by ALLIED as a result of any of the following circumstances:

- A. Any misstatement of material fact is discovered by ALLIED or its representative or assigns or disclosed to ALLIED or its representative or assigns by inspection by ALLIED or its representatives
- B. Any term of this Agreement is breached by the Broker
- C. Any material fraud or misrepresentation with respect to information submitted on a particular Mortgage Loan is determined to exist by ALLIED or another investor. This includes, but is not limited to, any misrepresentation of income, credit, assets, employment, or occupancy status. Broker shall be responsible for all actions taken under this Agreement, whether performed by Broker, its employees or licensees, the Applicant or any other third party involved in the origination of the loan.
- D. ALLIED is required to repurchase any mortgage loan which it has sold to an investor, or which it has placed or pledged to a mortgage pool, which repurchase requirement is as a result of the mortgage loan being a defective loan as the result of any act or omission of Broker; or
- E. If the Mortgagor(s) fail to make the first payment due to ALLIED or failure to make a first payment to any investor within 30 days of payment due date on any loan funded by ALLIED.

5. TERMS OF INDEMNIFICATION

- A. Broker may be required (at ALLIED'S option) to remit to ALLIED immediately upon demand, a good faith advance to be applied by ALLIED to cover any such loss, and
- B. Broker may be required (at ALLIED'S option) to remit to ALLIED immediately upon demand a nonrefundable loan administration fee, and
- C. Broker is required to fully reimburse ALLIED for the servicing released premium originally paid to Broker at the time the mortgage loan was funded by ALLIED whether such premium was included in the gross price paid or referenced separately, and
- D. Broker is required to remit to ALLIED immediately upon demand any additional amount to cover actual loss to ALLIED not otherwise reimbursed by the good faith advance or loan administration fee as outlined above.

Any good faith advance and additional amounts required in section 5 herein in excess of actual losses will be returned to Broker upon final loss reconciliation by ALLIED. Broker agrees that its failure to comply with the terms of the indemnification sections within this agreement shall give ALLIED the right to seek full repurchase of said mortgage loan.

6. REFUND FOR PREPAYMENT OF MORTGAGE LOAN

In the event that any loan closed by ALLIED that subsequently pays in full within 180 days of disbursement date, Broker agrees to refund all yield spread premiums paid to Broker by ALLIED within 10 days of written notification of said payoff. Alternatively, ALLIED at its sole option may waive this refund referenced above if there is a prepayment penalty on the loan or if Broker contacts ALLIED prior to the closing of the reference transaction and negotiates a purchase price for the new loan in an amount satisfactory to ALLIED.

7. ALLIED and/or its Contract Underwriter Has Sole Discretion to Approve Mortgage Loans:

ALLIED agrees to review all packages submitted to them by Broker; however, mortgage loan approval shall be within ALLIED's sole discretion. Broker shall not represent that ALLIED has approved or will approve any mortgage loan until Broker is so informed by ALLIED in writing. Mortgage loans shall close in the name of ALLIED MORTGAGE GROUP and ALLIED MORTGAGE GROUP shall appear on the promissory note as beneficiary. In the event that a mortgage loan application is denied, ALLIED shall cause to be delivered to Broker a statement of credit denial, termination or change. Broker agrees to inform Applicant of the adverse action on the mortgage loan application in accordance with the regulations of the Equal Credit Opportunity Act.

For all loans which are closed by ALLIED, ALLIED will review the mortgage loan prior to closing and determine if the loan meets all requirements. Broker acknowledges that failure of ALLIED to review or discover any deficiency or error in the mortgage loan or the loan file at time of closing by ALLIED will not release Broker from its obligations to provide any required documentation or correct any errors subsequently discovered. Nor will such a failure to review or discover deficiencies or errors prevent or inhibit ALLIED'S exercise of any of its remedies hereunder.

8. Change in Underwriting Standards:

Broker agrees that ALLIED'S underwriting standards may be amended at any subsequent time upon reasonable prior written notice to Broker. Upon such change and written notice, Broker shall comply with all modified underwriting guidelines and modifications thereto. In the event ALLIED purchases a mortgage loan which does not comply with guidelines, the exception must be pre-approved in writing by ALLIED and ALLIED may purchase such loans at ALLIED'S option and sole discretion; provided, however, that any such purchase shall not constitute a waiver of any other guidelines, except as to that loan, and shall not obligate ALLIED to purchase any other mortgage loans which do not strictly conform to said guidelines.

9. Inspection Rights of ALLIED:

Broker agrees to keep and maintain its books and records as to mortgage loans hereunder so as to meet and comply with Federal and State laws and regulations. Broker understands that ALLIED will maintain an active Quality Control System and that ALLIED may routinely re-verify pertinent credit documentation and appraisals submitted by Broker even after a loan is closed.

10. No Assignment of Broker's Rights or Duties:

Broker shall not have the right to assign any of its duties, obligations, or rights under this Agreement without the prior written consent of ALLIED, which consent is subject to ALLIED'S sole discretion.

11. Arbitration of Disputes, Attorneys Fees:

Any controversy, claim or dispute among the parties arising out of this contract, or the breach thereof, shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration and judgment upon the award rendered by the Arbitrator may be entered in any court having jurisdiction. The fees and costs incurred in any such arbitration (exclusive of each party's attorney's fees and costs) shall be borne equally between the parties. However, the prevailing party from such arbitration shall be entitled to recover its attorney's fees in addition to any other relief to which it may be entitled. Should either party fail or refuse to pay its share of the fees and costs, then the non refusing party may advance those fees and costs and the non paying party shall then be deemed to have waived their right to participate in the binding arbitration and shall be precluded from participating in the arbitration unless and until they have reimbursed the advancing party. Any such reimbursement must be at least 14 days prior to the Arbitration Hearing date in order to cure the default of the non paying party.

12. Entire Agreement:

This Agreement constitutes the entire Agreement between the parties pertaining to the subject matter contained in it and supersedes all prior and contemporary Agreements, representations and understandings. No supplement, modification or amendment shall be binding unless executed by both parties, except where ALLIED has been specifically granted the right to do so hereunder. It is the intention of the parties hereto that this Agreement shall be construed under and according to the substantive laws of the state of Pennsylvania and shall not be binding until executed by ALLIED. All questions regarding the validity, interpretation or performance of any of its terms, representations and warranties of any rights or obligations of the parties shall be governed by the laws of the State of Pennsylvania.

13. Enforceability of Agreement:

If any provision of this Agreement is held valid, void or unenforceable, the remaining provisions shall nevertheless continue in full force without being impaired or invalidated in any way.

14. Further Acts of Parties:

Each party shall perform any further acts and execute and deliver any documents that may be reasonably necessary to carry out the provisions of this Agreement.

15. Captions:

Any captions hereunder are for convenience or reference only and are not to be construed, confining or limiting in any way to the scope or intent of the provisions hereof.

16. Waiver:

The waiver of any breach, term, provision or condition of this Agreement shall not be construed to be a waiver of any other breach, term, provision or conditions. All remedies afforded by this Agreement, or breach hereof, shall be cumulative, that is, in addition to all other remedies provided herein at law or in equity.

17. Attorney-in-Fact:

Broker appoints ALLIED as their attorney-in-fact to do any and every act that Broker is obligated or required to do to effectuate the transfer and sale of mortgage loans to ALLIED. This shall include, but not be limited to, the right to sign or correct documents and do all those things necessary on behalf of Broker to carry out Broker's duties or obligations in any such transfer or sale.

ALLIED MORTGAGE GROUP

Date: _____, _____

By: _____

Its: _____

BROKER:

Date: _____, _____

By: _____

Its: _____

**RIDER TO SELLER AGREEMENT FOR ALL
BRANCH LOCATIONS**

CORPORATE/PARENT ACCOUNT:

Company/Broker NAME _____

This Rider is attached to and forms a part of the Broker Agreement (“Agreement”) recently entered into between Allied Mortgage Group (“Allied”) and the above referenced corporate/parent account (“Broker”) dated _____, 20__.

Allied shall approve and issue individual Broker identification numbers to each of Seller’s branches listed in the attached Addendum to this Rider. Each such branch shall be bound by the terms of this Agreement and this Rider. Any individual branch can be added to this Agreement with the written consent of Allied, and any individual branch can be deleted pursuant to this Agreement and other applicable provisions within the Agreement. The relationship between Allied and any individual branch may be terminated without affecting the application of the Agreement to any and all other branches of Broker, and the Agreement shall otherwise remain in full force and effect as Broker and all other approved branches.

Broker acknowledges and agrees that it is responsible for the performance of all terms and obligations set forth in the Agreement by each branch listed in the Attached Addendum or approved subsequently by Allied’s consent (“Approved Branch”) and that Broker shall be liable for any branch of the agreement by any Approved Branch.

**Seller:
By Owner or Corporate Officer:**

Signature

Printed Name

Title

Date

**ACKNOWLEDGMENT AND CONSENT:
Allied Mortgage Group**

By: _____

Its: _____

Dated: _____