

Conventional Broker Agreement

This Broker Agreement is entered into on the _____ day of _____, 20____,
Between T. J. Financial, Inc. a California Corporation ("TJF") and

("Broker").

This Agreement is intended to set forth the entire understanding between the parties whereby TJF agrees to originate single-family loans processed and packaged by Broker and submitted to TJF for funding from time to time. Nothing contained herein shall obligate Broker to submit all loan funding requests that it brokers to TJF, it being understood that this shall be a nonexclusive agreement.

1. Broker agrees to process the loan application request in accordance with TJF processing guidelines as established and as may be modified by TJF from time to time.
2. All loans submitted to TJF will be processed entirely by Broker, and Broker shall initiate and order all necessary processing and related verification forms, including all necessary inspections, engineering reports, legal documents, mortgage and other loan verifications. Broker will collect financial information (e.g. tax returns, bank statements, pay stubs, etc.) and such other related documents that are required by TJF as part of the loan application process.
3. All Broker compensation is disclosed on the Good Faith Estimate of Settlement Services and the HUD-1/1A Settlement Statement in accordance with applicable law. Broker may charge the borrower a fee for its services in processing the loan not to exceed 3% of the principal amount of the loan.
4. In the event of loan approval, Broker will assist TJF in coordinating the loan closing and obtaining any documents required by the closing and post closing departments of TJF.
5. Broker will maintain regular contact with the Applicant, T.J. Financial, Inc., realtors and all parties involved in the transaction between application and closing to apprise them of the status of the application and to gather any additional information as needed to assist TJF in underwriting, and if approved, funding the loan.
6. If TJF agrees to fund a loan request submitted by Broker, TJF shall be responsible for all matters pertaining to the underwriting thereof. All loans shall be closed on loan documentation and in a manner approved by TJF. The appraisal report shall only be ordered by TJF.
7. Nothing contained herein shall constitute a partnership or joint venture between TJF and Broker and the parties acknowledge that at all times they are operating as independent contractors. Broker shall at no time hold itself out to be TJF's agent or employee.
8. Broker will comply with all applicable Federal, State and Local laws as they pertain to required disclosures and timing of such disclosures including, but not limited to, disclosures required by the Real Estate Settlement Procedures Act, Equal Credit Opportunity Act, Truth-in-Lending Act, Fair Housing Act, Fair Credit Reporting Act, Federal Consumer Credit Protection Act, National Flood Insurance Act, Gramm, Leach, Bliley Act, and any and all applicable Predatory Lending Laws.
9. TJF reserves the right to terminate this agreement at any time, and for any reason, which termination shall be effective upon the sending of written notice thereof.

10. Broker represents and warrants to TJJ, as of (i) the time any loan package is submitted to TJJ, and (ii) as of the time the loan is funded and closed, that:
 - a. No untrue statement. None of the statements or information contained in any Loan package will contain any false or erroneous statements, or omit material facts necessary to make such statements or information accurate and understandable. BROKER UNDERSTANDS THAT BY MAKING THE WARRANTY CONTAINED IN THIS SUBPARAGRAPH IT IS WARRANTING THE ACCURACY OF ALL INFORMATION CONTAINED IN ANY LOAN PACKAGE SUBMITTED TO TJJ, WHETHER OR NOT BROKER HAS KNOWLEDGE OF, OR REASON TO SUSPECT, ANY INACCURACY.
 - b. Absence of Claims. Except as previously disclosed by Broker to TJJ in writing, there is not pending or, to the best of broker's knowledge, threatened any suit, action, arbitration, or legal, administrative, or other proceeding or governmental investigation (including an allegation of fraud by another lender) against Broker or its current or former owners, agents, or employees which could have a materially adverse effect on the Broker's business, assets, financial condition, or reputation.
 - c. Control of Documents. No Borrower shall have had in its direct or indirect possession or control any credit, income, or deposit verification document submitted to TJJ with respect to any Loan.
 - d. Duly Licensed. Broker possesses all necessary active and valid licenses, permits, and authority to engage in the activities contemplated by this Agreement.
 - e. Ownership. Except as otherwise disclosed to TJJ in writing before the funding of any Loan, Broker shall have no direct or indirect ownership interest in any property acting as security for the Loan.
 - f. Origination. Broker takes the Mortgage Loan Application. The services were necessary for the transaction and they are not duplicative of services performed by others.
11. Broker's obligation to fully indemnify TJJ under this Agreement shall not be affected by TJJ's taking any of the following actions with or without notice to Broker: (a) liquidation, repayment, retirement, or sale or resale of any Loan; (b) foreclosure of any Loan; or (c) sale or resale of the property securing any Loan.
12. Broker shall indemnify and hold TJJ and its shareholders, directors, officers, agents, employees, successors, and assigns harmless from and against, and shall reimburse the same with respect to, any and all loss, damage, liability, costs, and expenses, including reasonable attorneys' fees, from any cause whatsoever, incurred by reason of or arising out of or in connection with (a) any breach of any representation or warranty contained in paragraph 10, (b) Broker's failure to perform any obligation hereunder, and (c) any claim by a Borrower resulting from TJJ's failure or refusal to fund a Loan (collectively "Loss"). Without limiting the generality of the foregoing, Broker's indemnity shall extend to all repurchase demands of any third party to which TJJ had sold any Loan. Broker's obligation to indemnify TJJ under this Agreement shall arise upon (a) TJJ's incurring a Loss, or (b) automatically upon TJJ's receipt of a Loan repurchase demand from a secondary market investor, which TJJ determines in its sole and absolute discretion to be enforceable, even if TJJ has not incurred any Loss with respect to such Loan. TJJ reserves the right to hold or deduct from pending and/or future broker checks until all losses and reimbursements of rebate/premium pricing have been recovered.
13. Attorneys' fees, If any legal action or other proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default, or misrepresentation in connection with any of the provisions of this Agreement, the prevailing party or parties shall be entitled to

