

BROKER ADVISOR AGREEMENT

This BROKER ADVISOR AGREEMENT (the “Agreement”) is made this _____ day of _____, 200__ by and between _____, a _____ [State of organization], _____ [Type of entity], with its principal place of business at _____ (the “Broker”) and Urban Financial Group, Inc., (the “Lender”) (collectively, the “parties”).

- A. Broker assists Applicants (“Applicants”), for a fee (the “Applicant Assistance Fee”) that Lender agrees to pay to Broker, in their applications for one- to four-family residential mortgage loans including reverse mortgage loans intended to be insured by the Federal Housing Administration (the “FHA”) under its Home Equity Conversion Mortgage (“HECM”) program (“HECM reverse mortgage loans”);
- B. Lender makes HECM reverse mortgage loans to eligible Applicants;
- C. Broker desires to confirm the terms and conditions under which Lender will pay Broker for the referral of the Applicant a fee from the origination fee Lender will charge to Applicants in connection with such HECM reverse mortgage loans; and
- D. Lender will pay broker a fee for the referral under the terms and conditions described in this Agreement, which terms and conditions are acceptable to Broker.

The parties hereto hereby agree as follows:

ARTICLE I COVENANTS AND ACKNOWLEDGEMENTS

1.1 Broker agrees to secure from each Applicant a written agreement describing the assistance that Broker agrees to provide to the Applicant in connection with the application for a HECM reverse mortgage loan (the “Broker Advisor Disclosure”), and confirming the amount of compensation the Applicant agrees that shall be paid to the Broker for services provided. Broker acknowledges that the compensation shall be included by Lender as part of the origination fee that Lender will charge to the Applicant in connection the HECM reverse mortgage loan. The written agreement shall be in the form of the “Broker Advisor Disclosure” attached hereto as Exhibit A, or in such other form that is acceptable to Lender in its sole discretion.

1.2 Broker agrees to provide a fully executed original Broker Advisor Disclosure to Lender in connection with each loan application as to which Broker intends to be compensated,

1.3 Broker agrees to provide to Applicants a minimum of five (5) of the following services, in good faith and to the best of their ability. A copy of these items in checklist format appears as Exhibit B.

- 1. Educate client with basic information on reverse mortgages, including types of reverse mortgages available, basic outline of costs involved, financial implications of obtaining a reverse mortgage and the role of the counselor in the process
- 2. Assist client in obtaining counseling certificate.
- 3. Obtain proof of birth date (a copy of the driver’s license or birth certificate).

4. Verify client's social security number by obtaining a copy of the applicant's Social Security or Medicare Card.
 5. Obtain a copy of a valid photo ID, such as a driver's license.
 6. Submit to lender a copy of borrower's trust, Power of Attorney, Conservatorship or other related documentation.
 7. Obtain a copy of the death certificate if the deceased spouse is vested on the title to the property.
 8. Assist the client in clearing up title issues or other problems with the property.
 9. Keep the client up to date on the status of their reverse mortgage application.
 10. Assist the client in coordinating arrangements for the appraisal and any other required inspections.
 11. Help client obtain written estimates from contractors for any required repairs.
 12. Attend the application interview meeting with the client and lender representative.
 13. Attend the closing with the client and lender representative.
- 1.4. Broker agrees to accept, as full payment for the services rendered, the broker fee, and Broker agrees that it will not accept or receive, directly or indirectly, any other payment, compensation or thing of value from the Applicant for the provision of services or otherwise related to the HECM reverse mortgage loan.
- 1.5 Lender agrees to retain or collect from the proceeds of each HECM reverse mortgage loan made by Lender to a Applicant an origination fee, denominated as such, in an amount at least equal to the amount of the Broker Advisor Fee described in the Broker Advisor Disclosure provided to Lender by Broker.
- 1.6 As long as doing so is consistent with the applicable requirements of the FHA and the HECM reverse mortgage loan investor and with the applicable requirements as defined below, Lender agrees to remit to Broker the Broker Fee, upon the settlement, closing and funding of each HECM reverse mortgage loan as to which such a fee is due and payable to Broker under the terms of the Broker Advisor Disclosure and this Agreement; provided, however, that, unless otherwise agreed to in writing by Lender, in no event (and notwithstanding any provision to the contrary in any Broker Advisor Disclosure) shall the amount of compensation that will be so remitted to the Broker by the Lender be in excess of **twenty-five percent (25%)** of the origination fee for such loan as FHA regulations define that term (the "Maximum Lender-Permitted Fee Amount"), for each HECM reverse mortgage loan originated by Lender in connection with which Broker provides services to the Applicant (a "Broker-Assisted HECM Loan").
- For example, if the origination fee is \$3,000, the Maximum Lender-Permitted fee would be **25%** of that amount, or **\$750**. The parties acknowledge that the Maximum Lender-Permitted Fee Amount describes the maximum amount that Lender agrees that it will remit Broker for providing the Broker Advisor services in connection with a HECM reverse mortgage loan

originated by Lender; that neither the Applicant nor the Broker is obligated to agree, in the Broker Advisor Disclosure, to the payment to the Broker of such Maximum Lender-Permitted Amount; and that it is only the fee in the amount agreed to the Applicant in the Broker Advisor Disclosure that will be remitted by Lender to Broker for providing the Broker Advisor services.

1.7 Broker acknowledges and agrees that Lender shall disclose to Applicants and others the amount and payee of the Broker Advisor Fee, on the disclosure statements required by law to be provided to the Applicant in connection with Broker-Assisted HECM Loans, and that Broker similarly shall make all such disclosures that may similarly be required of it.

1.8 Broker acknowledges and agrees that the Broker-Assisted HECM Loan shall be originated by the Lender, and not by the Broker: that Lender, and not Broker, shall take the application from the applicant; and that Broker shall provide only the Broker Advisor services in connection with the origination of such loans.

1.9 Broker agrees and acknowledges that it shall be engaged independently by the Applicants to whom it agrees in the Broker Advisor Disclosure to provide the Broker Advisor services.

1.10 Broker shall obtain and maintain in full force and effect, and satisfy at all times related eligibility criteria in order to maintain in full force and effect, without material impairment, suspension or revocation, the "Broker's Licenses and Exemptions" described in Section 2.1 below.

ARTICLE II REPRESENTATIONS, WARRANTIES AND COVENANTS OF BROKER

Broker represents and warrants to Lender as follows:

2.1 Broker is and shall continue to be duly organized, validly existing and in good standing under the laws of its state. Broker has and shall continue to maintain in full force and effect all necessary licenses, approvals, registrations and certifications or is duly exempt in all appropriate jurisdictions to conduct all its activities as described in this Agreement and the Broker Advisor Disclosure (collectively, "Broker's Licenses and Exemptions").

2.2 Broker has all requisite power, authority and capacity to enter into this Agreement and to perform its obligations hereunder. The execution and delivery of this Agreement, and any related agreements or instruments and the consummation of the transactions contemplated hereby and thereby, each has been duly and validly authorized by all necessary action. This Agreement and any related agreements or instruments each constitutes a valid and legally binding agreement of Broker enforceable in accordance with its terms.

2.3 The execution, delivery and performance of this Agreement, and any related agreements or instruments by Broker, its compliance with the terms hereof and thereof, and consummation of the transactions contemplated hereby and thereby, will not violate, conflict with, result in a breach of, constitute a default under, be prohibited by, or require any additional

approval under its articles of incorporation, bylaws, or any instrument or agreement to which it is a party or by which it is bound or any state or federal law, rule, or regulation or any judicial or administrative decree, order, ruling or regulation applicable to it.

2.4 Broker is neither owned nor controlled by Lender, and there is no financial interest between Broker and Lender except as described in this Agreement.

ARTICLE III REPRESENTATIONS AND WARRANTIES OF LENDER

Lender represents and warrants to Broker as follows:

3.1. Lender is a duly organized and validly existing corporation and is in good standing under the laws of the State of Washington

3.2 Lender has all requisite power, authority and capacity to enter into this Agreement and to perform the obligations required of it hereunder. The execution and delivery of this Agreement, and the consummation of the transactions contemplated hereby, each have been duly and validly authorized by all necessary action by lender. This Agreement constitutes a valid and legally binding agreement of Lender enforceable in accordance with its terms, except as may be limited by bankruptcy, insolvency, or other laws or equitable principles affecting the enforcement of creditor's rights generally.

3.3 The execution, delivery and performance of this Agreement by Lender, its compliance with the terms hereof and the consummation of the transactions contemplated hereby, will not violate, conflict with, result in a breach of, constitute a default under, be prohibited by, or require any additional approval under its certificate of incorporation, bylaws, or any instrument or agreement to which it is a party or by which it is bound.

ARTICLE IV TERMINATION

4.1 This Agreement may be terminated at any time (i) by mutual written consent of the parties, or (ii) by either party, for any or no cause, upon 30 calendar days' written notice to the other party.

4.2 In the event of the termination of this Agreement in accordance with Section 4.1, Lender shall remit any Broker Advisor Fee that Lender committed to remit to Broker prior to such termination, and thereafter this Agreement shall be void and Lender shall not be required to remit any further Broker Advisor fees to Broker.

4.3 No termination of this Agreement shall release any party from liability for its own misrepresentation or for any breach by it prior to such termination of any covenant, agreement, representation or warranty contained herein.

ARTICLE V

MISCELLANEOUS

5.1 The representations, warranties, covenants and agreements contained herein shall survive the execution of this Agreement, and shall not terminate, notwithstanding the termination of this Agreement.

5.2 This Agreement may not be amended except by an instrument in writing signed by each of the parties hereto.

5.3 This Agreement shall be governed by, construed and enforced in accordance with federal law and the laws of the State of Washington, without reference to the choice of law principles thereof.

5.4 This Agreement shall be binding upon the parties hereto and their respective successors and assigns and shall inure to the benefit of the parties hereto and their respective permitted successors and assigns. Broker shall not assign this Agreement nor any rights hereunder, including, without limitation, the right to receive compensation or money due hereunder, without the prior express written consent of Lender. Broker shall not delegate any duty hereunder without the prior express written consent of Lender.

5.5 Broker is not, and shall not represent to Applicants or third parties that it is acting as an agent for and on behalf of Lender.

5.6 Nothing in this Agreement is intended to confer any right, remedy, obligation or liability upon any person other than the parties hereto and their respective successors and permitted assigns.

Each of the undersigned parties to this Agreement has caused this Agreement to be duly executed in its name by someone duly authorized, all as of the date first above written.

BROKER ADVISOR:

LENDER:

BY: _____

NAME: _____

TITLE: _____

ADDRESS: _____

PHONE: _____

BY: _____

NAME:

TITLE:

Application Submitted By: _____
{Please Print}

Company Name: _____
(Please Print)

Date: _____

Exhibit A

REVERSE MORTGAGE BROKER ADVISOR DISCLOSURE

[Insert mortgage broker name and company name] is pleased to assist you during the process of obtaining your reverse mortgage.

As a result of the services we will be providing, we will receive compensation from your reverse mortgage lender equal to approximately ____% of the financed origination fee on your reverse mortgage. This compensation will be deducted from the origination fee the reverse mortgage lender receives when your loan closes and will not result in any increase in cost to you, the borrower.

By signing below, the mortgage broker certifies that the information on this agreement is accurate and complies with all provisions of Section 8 of the Real Estate Settlement Procedures Act and 24 CFR part 3500. This agreement is in compliance with Federal Housing Authority and Federal National Mortgage Association's guidelines regarding reverse mortgage loan requirements.

I/WE HEREBY AGREE TO THE ABOVE TERMS:

Borrower's Signature

Date

Borrower's Signature

Date

Mortgage Broker Signature

Date

Company Name

Exhibit B

BROKER ADVISOR CHECKLIST

CLIENT NAME: _____

The following reverse mortgage-related services have been or will be performed by _____, acting as a mortgage broker on behalf of the above-named client. (Please circle all that apply)

1. Educate client with basic information on reverse mortgages, including
 - ▶ Types of reverse mortgages available
 - ▶ Basic outline of costs involved
 - ▶ Financial implications of obtaining a reverse mortgage
 - ▶ The role of the counselor in the process
2. Assist client in obtaining counseling certificate.
3. Obtain proof of birth date (a copy of the driver’s license or birth certificate).
4. Verify client’s social security number by obtaining a copy of the applicant’s Social Security or Medicare Card.
5. Obtain a copy of a valid photo ID, such as a driver’s license.
6. Submit to lender a copy of borrower’s trust, Power of Attorney, Conservatorship or other related documentation.
7. Obtain a copy of the death certificate if the deceased spouse is vested on the title to the property.
8. Assist the client in clearing up title issues or other problems with the property.
9. Keep the client up to date on the status of their reverse mortgage application.
10. Assist the client in coordinating arrangements for the appraisal and any other required inspections.
11. Help client obtain written estimates from contractors for any required repairs.
12. Attend the application interview meeting with the client and lender representative.
13. Attend the closing with the client and lender representative.

Signed: _____
 Print Name: _____
 Company: _____
 Address: _____
 Phone: _____

Date: _____