



## CORRESPONDENT DELEGATED UNDERWRITING RENOVATION LOAN APPLICATION

Lender: \_\_\_\_\_

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

Thank you for applying with AFR Wholesale for Correspondent Delegated Underwriting for Renovation Loans.

Please review these requirements, and complete the following questionnaire so we may better understand your experience and current processes regarding Renovation loans.

In order for AFR to successfully complete the Correspondent Delegated transaction, we must ensure that each Client has experience and expertise in Renovation loans, understands the AFR CDE requirements, and provides details on their Renovation operational procedures.

**Requirements:**

The CDE Client acknowledges and agrees to the following requirements:

- AFR promulgated correspondent Renovation forms must be used
- Only one General Contractor is allowed.
- Correspondent agrees to close out case file through FHA Connection/Fannie Mae when complete.
- Correspondent to review and execute the attached Renovation Addendum.
- Self-Help is not allowed. Neither the Borrower, the owner, nor an occupant of the subject property may be the contractor on the loan.
- Prior to purchase AFR to perform a Pre-Closing call to both the Borrower and contractor, review the CD and MMW/MMCF, and funds in held in escrow.
- Prior to getting approved a mandatory interview with your head underwriter, operation manager, head of sales, and AFR's AE.

**Questionnaire:**

1) Primary contact(s) for Renovation loans:

|      |       |                |
|------|-------|----------------|
|      |       |                |
| Name | Title | Contact Number |
|      |       |                |
| Name | Title | Contact Number |
|      |       |                |
| Name | Title | Contact Number |

2) What is your organization's current experience with Renovation loans:

How many years of experience? \_\_\_\_\_

Your average monthly volume and number of Renovation loans? \_\_\_\_\_

Do you do 203(k), Limited and Standard?      YES      NO

Do you do Fannie Mae HomeStyle?      YES      NO

3) Please explain how you currently vet the contractors, including what system do you use to check licensing requirements and insurance of contractors:

4) What are your standards regarding contractors estimates?

5) What is your process for selecting HUD Consultants?

6) Please outline your company's Renovation loan training program and requirements for your loan originators:

7) Have your loan originators attended AFR Renovation training?      YES      NO

8) How do you ensure a proposed Renovation is able to obtain a permit?



9) How do you account for Identity of Interest issues between parties such as Borrower, Realtor(s), Contractors, Consultants, Lender, etc.?

10) Is there anything unique that you require of AFR during the Renovation loan process?      YES      NO

|                      |       |
|----------------------|-------|
| _____                | _____ |
| Authorized Signature | Title |
| _____                | _____ |
| Printed Name         | Date  |



**FHA 203k Limited, FHA 203k Standard AND FNMA HOMESTYLE PRODUCT  
ADDENDUM TO THE  
CORRESPONDENT ORIGINATION AND SALES AGREEMENT**

This FHA 203k Limited, FHA 203k Standard and FNMA HomeStyle Product Addendum to the Correspondent Origination and Sales Agreement ("Addendum") is entered into as of the effective date, as defined below, and is incorporated into and shall be deemed to supplement the Correspondent Origination and Sales Agreement, as well as, the Delegated Underwriting Addendum to Correspondent Origination and Sales Agreement by and between American Financial Resources, Inc. ("AFR"), its successors and assigns, and \_\_\_\_\_("Correspondent").

On \_\_\_\_/\_\_\_\_/\_\_\_\_ (date), AFR and Correspondent entered into that certain Correspondent Origination and Sales Agreement, which incorporate the AFR Correspondent Lending (collectively the "Agreement"), pursuant to which AFR has agreed to purchase residential mortgage loans secured by 1 - 4 family, residential properties ("Mortgage Loans"), from Correspondent according to the terms and conditions contained herein.

AFR has hereby agreed to purchase FHA 203K Limited, FHA 203k Standard and FNMA HomeStyle Product mortgages originated and underwritten by the approved Correspondent. As a service to our Correspondent clientele, AFR is willing to perform a pre-funding review of the renovation documentation in order to ensure compliance with AFR guidelines. The cost associated with this review will be passed onto the Correspondent at a rate of \$495.00. This cost will be collected through the net proceeds of the Correspondent during the purchase transaction.

AFR reserves the right to deny purchase of any file before or after said review takes place for any reason. The pre-funding review does not alleviate the Correspondent from any Representations and Warranties defined in; the Correspondent Origination and Sales Agreement or the Delegated Underwriting Addendum to Correspondent Origination and Sales Agreement.

Termination: The Delegated Underwriting authority contained in this Addendum may be terminated by AFR, for any reason, and in the sole discretion of AFR, upon written notice. Termination shall be effective as to all Mortgage Loans submitted to AFR on or after such notice of termination

This Addendum may not be assigned by Correspondent and is binding upon Correspondent, and its successors.

This Agreement may be (a) executed in counterparts (which may consist of a separate document executed by one or more parties acknowledging that the execution of such document constitutes the execution of this Agreement), each of which shall be deemed an original and both of which taken together shall constitute one and the same instrument, and/or (b) executed and transmitted by facsimile copy or by an electronically imaged copy, by one party to the other, and such executed facsimile or electronically imaged copy shall constitute an original executed copy of such document; provided that failure to do so shall not affect the binding nature of the executed facsimile or electronically imaged copy.

IN WITNESS WHEREOF, Correspondent and AFR accept and agree to the terms and provisions contained in this Addendum. This Addendum shall be effective as of the date this document is executed by AFR, as set forth below (the "Effective Date"). One or more of the parties may execute this Origination and Sales Agreement by executing a separate document containing such parties' acknowledgement that execution of such document constitutes execution of this Agreement. In such event, the effective date of this Agreement shall be the effective date of such separate document.

\_\_\_\_\_  
Signature (Correspondent)

\_\_\_\_\_  
Signature (American Financial Resources, Inc.)

\_\_\_\_\_  
Title (Correspondent)

\_\_\_\_\_  
Title (American Financial Resources, Inc.)

\_\_\_\_\_  
Date (Correspondent)

\_\_\_\_\_  
Date (American Financial Resources, Inc.)