

Industry Compliance Disclosure



American Financial Resources requires all Brokers or Correspondent Lenders to confirm the Company operates in accordance to the industry code of conduct. It is imperative that each section is acknowledged for the Company to complete the application.

AML/SAR Compliance

The Broker or Correspondent has established and implemented an Anti-Money Laundering Program Suspicious Activity Report filing as a part of its AML Program in accordance with the requirements of 31 CFR Part 1010 and 1029 as promulgated by the Financial Crimes Enforcement Network (FinCEN). The Broker or Correspondent certifies it has (1) a designated compliance officer, (2) a system of internal policies, procedures, and controls commensurate with its respective risk profile, and (3) an ongoing employee training program. Independent testing will be performed on the AML program to ensure compliance. The Broker or Correspondent acknowledges it is subject to audit at any time by AFR and failure to comply with the FinCEN requirements may result in termination with American Financial Resources, Inc.

_____ By initialing here, the authorized signer confirms that the Company is in compliance with AML/SAR standards.

FACTA: Red Flags Rule

The Broker or Correspondent assures compliance with section 114 and 315 of the Fair and Accurate Credit Transaction Act (FACTA) and, in doing so, implements a Red Flags policy appropriate to its size and complexity. This policy includes directives on (1) identifying relevant red flags, (2) detecting red flags, (3) actions to prevent and mitigate harm associated with possible identity theft, and (4) maintenance of the programs currency. Furthermore, the Broker or Correspondent is mindful of other legal requirements that may be applicable such as filing of Suspicious Activity Reports, limitations under which credit may be extended, or requirements to inform consumer reporting agencies.

_____ By initialing here, the authorized signer confirms the Company has established adequate procedures essential to preventing identity theft.

Real Estate Settlement Procedures Act

Under current rules found in HUD's Statement of Policy 1999-1 (64 FR 10080, March 1, 1999), in order to avoid a possibly illegal RESPA "Section 8" referral fee, a mortgage Broker must perform "compensable services," and the actual fees charged for those services must be "reasonable." Lender and Broker agree that providing "compensable services" requires the Broker to perform certain quality and a certain minimum amount of work on each loan origination it provides to Lender.

_____ By initialing here, the authorized signer confirms the Company provides services in agreement with the RESPA requirements regarding Lender Payments to Mortgage Brokers.

Third Party Fair Lending and Federal and State Compliance

AFR's mission statement requires that each individual acting as an agent or lending partner with AFR is responsible for complying with the professional ethics set forth in the Fair Lending Laws and Regulations and all applicable state statutes and regulations in any state AFR conducts business. The Company agrees that by entering into this contract, the Company will not engage in practices that are deceitful, predatory, discriminatory, or may result in disparate pricing. These principles apply to all residential mortgage-banking transactions in which AFR is involved, regardless of the source of the origination of any loan.

_____ By initialing here, the authorized signer confirms that Company will act in accordance to the ethical standards mandated by the Fair Lending Laws and Regulations.

For all lending partners with active licenses in New York State, by initialing above the Company understands and accepts the Fair Lending Principles asserted in Section §296-a of the NYS Executive Law.

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Zero Tolerance Loan Fraud

The Company hereby accepts the responsibility for all actions of their employees concerning the integrity and accuracy of each loan submitted to American Financial Resources, Inc. Loan fraud is manifest in various scenarios including, but not limited to, submission of inaccurate or incomplete information, forgery, lack of due diligence, unexamined information, collusion, or non-disclosure of relevant information. Fraudulent loans cannot be sold to the secondary market and, if sold, would require repurchase by AFR.

_____ By initialing here, the authorized signer understand AFR's policy on Loan Fraud.

Consumer Financial Protection Bureau

The Broker and Correspondent, where applicable, assure compliance with all Federal Regulations and Rules, including amendments to existing legislation authorized and implemented by the Consumer Financial Protection Board ("CFPB"), including, but not limited to the following: (1) The Ability to Repay and Qualified Mortgage standards (Regulation Z), which implements the Truth in Lending Act, as amended by the CFPB; (2) the High-Cost Mortgage and Homeownership Counseling Amendments to the Truth in Lending Act (Regulation Z), as amended by the CFPB; (3) the Homeownership Counseling Amendments to the Real Estate Settlement Procedures Act (Regulation X), as amended by the CFPB; (4) the Loan Originator Compensation Requirements under the Truth in Lending Act (Regulation Z), as amended by the CFPB; (5) the Disclosure and Delivery Requirements for Copies of Appraisals and Other Written Valuations Under the Equal Credit Opportunity Act (Regulation B), as amended by the CFPB; (6) Appraisals for Higher-Priced Mortgage Loans (Regulation Z) as amended by the CFPB; and (7) the Escrow Requirements under the Truth in Lending Act (Regulation Z), as amended by the CFPB.

_____ By initialing here, the authorized signer confirms that Company will act in accordance with all Federal Regulations and Rules, including all amendments to existing legislation authorized and implemented by the Consumer Financial Protection Board.

ACKNOWLEDGEMENT: I, _____ (print name), the undersigned, acknowledge that I have read, understand, and accept the aforementioned conditions regarding Industry Compliance.

Signature of Authorized Company Representative

Title

Date