

AMERICAN FINANCIAL RESOURCES, INC.
DELGATED UNDERWRITING ADDENDUM TO CORRESPONDENT ORIGINATION AND SALES AGREEMENT

This delegated Underwriting Addendum to 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 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.

Mortgage Loans may be underwritten by Correspondent (Delegated Underwriting) provided Correspondent has been given express written authorization by AFR. Correspondent desires to submit Mortgage Loans to AFR underwritten under Delegated Underwriting Authority, and as an inducement for AFR to grant Correspondent such authority, Correspondent is willing to enter into this Addendum.

NOW THEREFORE, in consideration of the mutual promises, covenants, and agreements set forth herein, Correspondent and AFR agree as follows:

1. **Definitions:** All capitalized terms not defined herein shall have the same meaning as set forth in the Agreement.
2. **Grant of Authority:** AFR hereby grants Delegated Underwriting authority to those underwriters of Correspondent, as submitted to AFR, which may be revised from time to time. AFR agrees that so long as Correspondent’s delegated underwriting authority and the agreement remain in effect, AFR shall purchase Mortgage Loans originated and underwritten by Correspondent’s Delegated Underwriters, in accordance with the terms and conditions set forth in the Agreement and this addendum.
3. Representations and **Warranties:** In addition to Correspondent’s representations and warranties contained in the Agreement, Correspondent further represents and further warrants to AFR as follows:
 - a) Correspondent shall maintain an adjusted tangible net worth of not less than three hundred and fifty thousand dollars, or the minimum amount required for the authority granted by its regulator, which ever is greater, as reflected by Correspondent’s most recent audited financial statements produced in accordance with Generally Accepted Accounting Principles and provided to AFR;
 - b) With respect to delegated underwritten loans, the methodology employed objective criteria such as the Mortgagor’s income, assets and liabilities to the proposed payment and, based on such methodology, the Correspondent made a reasonable determination that at the time of the origination the mortgagor had the ability to make timely payments on the Mortgage Loan. In addition, all guidelines for the selected loan program have been met concerning those specific to FNMA, FHLMC, FHA, VA, USDA, AFR and all federal and/or state laws and regulations associated with the origination process. This would be inclusive of any changes made in association with the implementation of the Dodd-Frank Wall Street Reform and Consumer Protection Act, as well as, the interpretation of said laws, rules and regulations as dictated by the CFPB, any GSE or other industry regulators.
 - c) With respect to delegated underwritten loans, the methodology used in underwriting the extension of credit for each Mortgage Loan will not rely solely on the extent of the Mortgagor’s equity in the collateral as the principal determining factor in approving such extension of credit.

- d) Any breach of the representations in 3a, 3b or 3c shall be deemed to materially and adversely affect the value of the Mortgage Loan and shall require an immediate repurchase of the affected Mortgage Loan.
 - e) The decision to purchase or not to purchase a Mortgage Loan is at the sole discretion of AFR regardless of whether or not the Mortgage Loan meets all program guidelines.
4. **Covenants:** In addition to the Correspondent's covenants contained in the agreement, Correspondent further covenants and agrees as follows:
- a) AFR shall have the right to perform post-purchase reviews of all Mortgage Loans and to request any additional documentation to ensure compliance with Agency or AFR underwriting guidelines as AFR deems necessary;
 - b) Correspondent shall maintain Errors and Omissions Insurance and/or a blanket Fidelity Bond in an amount not less than Three Hundred Thousand Dollars (\$300,000), with insurers acceptable to AFR;
 - c) Correspondent will submit all loans requiring mortgage insurance with the applicable mortgage insurance certificate in accordance with the Mortgage Insurance Certificate Delivery Addendum to Correspondent Origination and Sales Agreement.
 - d) Correspondent shall immediately notify AFR of any change in the status of employment of any of Correspondent's Delegated Underwriters, as requested by AFR from time to time.
5. **Indemnification:** Correspondent shall indemnify, save, and hold harmless AFR and its successors and assigns from any and all loss, fines, costs, damages, and expenses (including attorney and professional fees) of AFR resulting from:
- a. Any obligation of AFR to repurchase any Mortgage Loan or any Property held as security for any Mortgage Loan arising from any defect, error or omission in any Mortgage Loan underwritten by Correspondent;
 - b. Correspondent's breach of any representation or warranty contained in this Addendum or in the Agreement.
6. **Recapture/Repurchase Demand:** Any Delegated Underwritten Mortgage Loan must be repurchased by Correspondent within 30 days of notice in accordance with the Agreement if, in the sole discretion of AFR;
- a) The Mortgage Loan does not meet the credit policy of AFR or the guidelines for the selected loan program have not been met, including those specific to FNMA, FHLMC, FHA, VA, USDA, AFR and all additional federal and/or state laws and regulations associated with the origination process in effect as of the Origination date of the Mortgage Loan. This would be inclusive of any changes made in association with the implementation of the Dodd-Frank Wall Street Reform and Consumer Protection Act, as well as, the interpretation of said laws, rules and regulations as dictated by the CFPB, any GSE or other industry regulators;
 - b) With regard to Mortgage Loans that require mortgage insurance or, an FHA or VA certificate as applicable, any instance where the Correspondent does not adhere to the requirements detailed in the Mortgage Insurance Certificate Delivery Addendum to Correspondent Origination and Sales Agreement;
 - c) In the event that AFR receives a demand for repurchase or indemnification in lieu of repurchase for a Mortgage Loan by an Agency or owner and holder of a Mortgage Loan, or its successor in interest who then has an ownership interest in the Mortgage Loan, such demand is deemed a breach of the related representation, warranty, covenant or agreement of the correspondent hereunder regardless of the originating party, the Mortgage Loan must be repurchased by Correspondent in accordance with the Agreement;
 - d) If any of the documents associated with the Mortgage Loan are deemed to be not in compliance with any Federal or State regulation or Act including but not limited to RESPA, HMDA, TILA, MDIA.

7. **Repurchase/Fee:** Upon the occurrence of any of the prior noted events in section 6a, 6b, 6c or 6d, the Correspondent agrees to immediately repurchase the related Mortgage Loan (or the related Property, if the title thereto is held by AFR), at the Repurchase Price inclusive of:
 - a) paying AFR \$3,000 reimbursement for administrative expenses;
 - b) returning any SRP paid to Correspondent in reference to such Mortgage Loan;
 - c) returning all yield spread premium above par that AFR paid Correspondent for such Mortgage Loan;
 - d) paying the outstanding Unpaid Principal Balance;
 - e) all accrued, unpaid interest and late charges;
 - f) all escrow advances made by Lender;
 - g) all other miscellaneous expenses actually incurred by Lender with respect to the related loan

8. **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.

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

10. **Counterparts:** 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.

By: _____
(Correspondent)

By: _____
(American Financial Resources, Inc)

Title: _____

Title: _____

Date: _____

Date: _____

(Continued below)

AMERICAN FINANCIAL RESOURCES, INC.
MORTGAGE INSURANCE CERTIFICATE DELIVERY ADDENDUM TO CORRESPONDENT ORIGINATION AND SALES AGREEMENT

This Mortgage Insurance Certificate Delivery Addendum to 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 by and between American Financial Resources, Inc. (“AFR”) its successors and assigns, and _____ (“Correspondent”).

On ____/____/____ (date), AFR and Correspondent entered into a Correspondent Origination and Sales Agreement, as well as the Correspondent Delegated Underwriting Addendum (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.

Loans originated through the Correspondent, underwritten and delivered to AFR by the Correspondent (Delegated Underwriting) provided Correspondent has been given express written authorization by AFR, requiring Mortgage Insurance, must be delivered containing the corresponding Mortgage Insurance Certificate per the “Agreement” executed previously. The Correspondent desires to submit Mortgage Loans prior to finalization of the mortgage insurance process.

NOW THEREFORE, in consideration of the mutual promises, covenants, and agreements set forth herein, Correspondent and AFR agree as follows:

1. **Definitions.** All capitalized terms not defined herein shall have the same meaning as set forth in the Agreement
2. **Grant of Authority.** AFR hereby grants a stay on the immediate delivery of the Mortgage Insurance Certificate, as required in the Agreement. AFR agrees that so long as Correspondent’s Mortgage Insurance Certificate Delivery Authority and the Agreement remain in effect, AFR shall purchase Mortgage Loans originated by the Correspondent without the MIC provided upfront, in accordance with the terms and conditions set forth in the Agreement and this Addendum.
3. **Representations and Warranties.** In addition to Correspondent’s representations and warranties contained in the Agreement, Correspondent further represents and warrants to AFR as follows:
 - a) Correspondent will take all proper steps and measures to ensure the applicable mortgage insurance is issued and in full force within the allotted time frame required by the appropriate counterparty;
 - b) Correspondent shall deliver any closed loan, intended to be delivered under the exception detailed in this addendum, within Thirty (30) days of closing the loan.
4. **Covenants.** In addition to Correspondent’s covenants contained in the Agreement, Correspondent further covenants and agrees as follows:
 - a) Correspondent will provide to AFR the appropriate certificate of insurance or other evidence of insurance issued by the insurer, including evidence that the required mortgage insurance has been paid and that a policy is in full force and effect for any loan sold to AFR within Sixty (60) days of closing the loan.
5. **Indemnification.** Correspondent shall indemnify, save, and hold harmless AFR its successors and assigns from any and all loss, fines, costs, damages, and expenses (including attorney and professional fees) of AFR resulting from:
 - a) Any obligation of AFR to repurchase or indemnify any Mortgage Loan or any Property held as security for

any Mortgage Loan arising from any defect or omission in any Mortgage Loan underwritten by Correspondent whereas the appropriate certificate, loan guaranty or other evidence of insurance cannot be obtained, or any required certificate, loan guaranty and/or private mortgage insurance lapses, is rescinded, or a claim thereon is denied or not paid. This is applicable regardless of whom the originating entity was on any loan delivered to AFR under this addendum and or agreement;

b) Correspondent's breach of any representation or warranty contained in this Addendum or in the Agreement.

6. **Recapture/Repurchase Demand.** Any loan deliver without the MIC upfront must be repurchased by the Correspondent in accordance with the Agreement if, in the sole discretion of AFR under the following terms;
- a. If an NOR is issued and the loan is uninsurable or the MIC certificate is not provided within the Sixty (60) day timeframe from the date of Funding.
 - b. Any of the previously noted terms are violated within this Addendum or the prior executed Agreements
7. **Termination.** The Mortgage Insurance Certificate Delivery 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 not yet purchased by AFR on or after such notice of termination.
8. **Miscellaneous.** This Addendum may not be assigned by Correspondent and is binding upon Correspondent, and its successors.
9. **Counterparts.** 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.

By: _____
(Correspondent)

By: _____
(American Financial Resources, Inc.)

Title: _____

Title: _____

Date: _____

Date: _____