

CONTRACT PROCESSING SERVICE AGREEMENT

THIS CONTRACT PROCESSING SERVICE AGREEMENT is made and entered into this ____ day in the month of _____ for the year 2006, by and between _____ (company name), a U.S. company hereinafter referred to as "the Company", and SD PROCESSING hereinafter referred to as "SD PROCESSING".

WITNESSETH:

WHEREAS, the Company is in the business of brokering mortgage loan applications, and;

WHEREAS SD PROCESSING has experience processing mortgage loan applications and is interested in processing mortgage loan applications originated by the Company in accordance with the terms set forth below.

NOW, THEREFORE, the parties hereto agree as follows:

1. **Duties of Broker.** Broker shall: (1) take and complete the application (1003); (2) pre-qualify the applicants; (3) pull tri-merge infile credit report; (4) collect 2yrs W-2's, most recent 30 days pay stubs (for all borrowers), 2 months most recent bank statements (ALL PAGES); (5) designate which appraiser SD Processing shall use and pay such appraiser directly; (6) deliver to SD Processing within one business day the Application, (if truth-in-lending and disclosures are to be prepared by SD Processing) the application together with all other documents and information referenced in this paragraph (collectively, the "Loan File"), to be processed by SD Processing.

Broker is also responsible for the following: (1) choosing the lender for SD Processing to submit the loan to; (2) locking interest rate with the lender; (3) gathering additional items from the borrower as outlined on the "Needs List" as provided by SD Processing; (4) verifying accuracy of closing fee sheet (will be faxed or emailed to you before docs are ordered); (5) forwarding all original documentation to SD Processing or investor as requested.

2. **Duties of SD Processing.** SD Processing shall, immediately upon receipt of the Loan File via electronically or hard file, begin processing your file, which shall include the following: (1) preparation and delivery of all disclosures, if requested by the loan officer; (2) order verifications of employment, deposit, and rental or mortgage history, and credit report updates; (3) order appraisal and escrow/title, if requested by the loan officer; (4) order and assemble such other information needed to fully process the loan; (5) delivery of the loan file, fully processed to the lender for final approval; (6) coordinate closing; (7) return of the "Processed Loan File" to the Company along with Final HUD1.
3. **Loan Processing Fees.** The Company understands, and agrees to, the fact that the most mutually desirable method of payment of all fees due to SD Processing, accrued pursuant to the terms of this agreement, is by direct payment by the designated closing agent involved in each transaction. By signing this agreement, the Company pledges its complete support to the effort for this stated method of payment of fees due SD Processing, and further pledges to include SD Processing's fee on the "Broker Fee Sheet", in all cases possible.

The Company further pledges that in cases payment of third party processing fees are restricted it will instruct the closing agent to deduct from funds due the Company, the fees due to SD Processing, and forward them directly to SD Processing.

4. **Disclosures.** SD Processing assumes no liability for errors or omissions of third parties on loan applications or closing documentation. The Company is entirely responsible for verifying closing figures, and all documents prior to signing, as well as assuring that all loan documents meet state and federal guidelines. It is ultimately the loan officer/broker's responsibility to make sure the disclosures are within the legal guidelines.
5. **Confidentiality.** SD Processing agrees to treat as confidential the identities of, and all financial information submitted by, all borrowers whose loan applications are being processed, or have been processed by SD Processing.
6. **Termination of Agreement.** Either party may terminate this agreement at will. If either party terminates this Agreement, SD Processing agrees to promptly deliver to the Company all loan application files currently being processed, and all files for loans that have closed, in exchange for a check for all work performed by SD Processing as referenced to in paragraph #2 above (Loan Processing Fee).
7. **Non-solicitation.** SD Processing agrees that it will not solicit any of the borrowers whose loan applications are submitted to SD Processing for the purpose of obtaining loans for such persons. SD Processing shall not convey or transfer any loan application information to any person or entities not under contract to process files for SD Processing, without specific written permission from the Company.
8. **Independent Contractor.** The Company acknowledges and agrees that SD Processing is not an employee of the Company and is an independent contractor. SD Processing may, from time to time, fill out order forms on behalf of the Company in order to secure appraisals, credit reports, title insurance, and other documents necessary to perform its processing obligations. It is understood that SD Processing orders these documents as a courtesy to the broker, and the Company agrees to accept financial responsibility for any and all documents ordered in connection with the processing of their loan applications.
9. **Fees and Charges.** Are on the attached **Loan Processing Fee Addendum**
10. **Indemnification.** Each party agrees to indemnify and hold the other party harmless from and against any and all claims, demands, liabilities, causes of action and expenses, including attorney's fees, relating to or arising out of or in connection with such party's breach of representations and warranties or other term or provision of this Agreement.

IN WITNESS WHEREOF, the Company has entered into this Agreement as of the date written herein below.

Signature: _____ Title: _____

Date: _____ Phone: _____

LOAN PROCESSING FEE ADDENDUM

CONFORMING and NON-CONFORMING	\$495.00
PIGGYBACK SECONDS	\$200.00
Stand Alone 2nds (Fixed or HELOC)	\$300.00

NO CANCELATION FEE CHARGES. SD PROCESSING only gets paid on closed and funded files.

Upon request, SD Processing will open Escrow; order Appraisals and Title on the originator's behalf.

Additional fees may include any of the following:

- Any charges to SD PROCESSING for borrower verifications including 1-900 charges and service fees
- Other extraordinary fees as documented and billed
- Fees are subject to change without advance notice

Signature: _____ Title: _____

Date: _____ Phone: _____