



FHA Sponsored Loan Correspondent

THIS FHA MORTGAGE PURCHASE AGREEMENT is entered into this _____ day of _____, 20____, between H&H Financial Group, LLC dba Life Mortgage Group, Its successors and/or assigns, an Indiana Limited Liability Company, hereafter referred to as (“Purchaser”) and _____, a _____ hereafter referred to as(“Seller”)

WHEREAS, Purchase in the conduct of its business as a HUD approved Direct Endorsed Mortgagee, desires to act as an Authorized Agent of Seller with the purpose of underwriting and funding FHA residential mortgages for Seller;

WHEREAS, Seller has obtained approval to act as a FHA Loan Correspondent for Purchaser by the Department of Housing and Urban Development

WHEREAS, Seller desires, as an approved FHA Loan Correspondent, to originate, process and close FHA residential mortgages to assign to Purchaser at the time of closing;

WHEREAS, the parties agree that all future purchase of loans by Purchase from Seller shall be governed by the terms of this Agreement unless agreed by the parties in writing before or at the time such purchases are made;

NOW, THEREFORE, in consideration of the mutual covenants and stipulations set forth herein, the parties agree as follows:

1. **LOANS ELIGIBLE FOR PURCHASE**

Seller may offer for sale to Purchaser closed FHA loans which have been underwritten and approved – clear to close by a H&H Financial Group, LLC dba Life Mortgage Group Direct Endorsed underwriter. All loans are to be approved and closed according to standard agency regulations.

2. **PRICING**

-It is the requirement of the Purchaser that all Sellers have received a copy of HUD’s “Tiered Pricing Policy Rule”, HUD Mortgagee Letter 94-16.

-Seller further agrees to indemnify Purchaser for any and all losses which may occur from direct violation of HUD’s “Tiered Pricing Policy”.

-The Purchaser may, in its sole discretion, provide to Seller a fifteen (15) or sixty (60) day lock-in which shall protect the price, terms, rate, loan program, loan limit, points and fees for each mortgage loan. The Purchaser shall honor the terms of any mortgage loan that has been locked-in, provided that the Seller complies with the terms of this Agreement.

3. **PAYMENT FOR LOANS**

Upon the receipt and approval by Purchaser of the initial documents specified in the FHA Manual, and upon approval of same by Purchaser; Purchaser will fund the loan. Interest accruing on loan purchased by Purchaser shall inure to the benefit of Purchaser beginning on the date of purchase.

4. **DELIVERY OF DOCUMENTS**

-Seller shall deliver the closed and funded package to H&H Financial Group, LLC dba Life Mortgage Group within three (3) business days of loan disbursement, then seller shall pay to H&H Financial Group, LLC dba Life Mortgage Group a penalty of \$100.00 per day for each or part thereof after three (3) business day period during which the loan documents have not been received by H&H Financial Group, LLC dba Life Mortgage Group. Purchaser reserves the right to refuse purchase should any loans be delivered beyond the commitment expiration. – **See 5 Table Funding Agreement**

-From the date of closing of the loan(s) by Seller, Seller shall have one hundred twenty (120) days in which to do all acts necessary to perfect title to the mortgage in Purchaser’s name, and shall sell, assign and deliver to Purchaser the required supporting original documentation and photocopies as set forth in the FHA Manual, all subject to the approval of Purchase as to the proper form and execution.

- Should Seller fail to satisfy the requirements for document delivery within the allowed on hundred twenty (120) days from the loan closing, on any given loan purchased, Seller shall be required to repurchase said loan as set forth.
- On FHA Loans which are not cured and require Purchaser to issue a Letter of Credit due to agency/investor requirements, Seller will be responsible for all cost incurred by Purchaser to obtain said Letter of Credit until pool is finally certified.
- Purchaser also reserves the right to withhold servicing released premiums on loans not yet funded should documents within Seller's control, as determined by Purchaser, remain outstanding in excess of 120 days from loan closing. These premiums will be refunded upon compliance with delivery requirements outlined in Section 4, above.

5. **ADDITIONAL REPRESENTATIONS AND WARRANTIES FOR EACH LOAN TABLEFUNDED BY BROKER**

- Broker may negotiate and receive from applicant(s), payable at the time of closing, a reasonable broker fee for its services provided such broker fees are allowed by applicable Federal and State laws. Broker shall disclose all fees of the GFE in accordance with applicable Laws, including yield spread premiums. Such fees will be disclosed on the HUD-1 Settlement Statement to be collected at closing and remitted to Broker.
- From time to time, H&H Financial Group, LLC dba Life Mortgage Group may elect to "table fund" (defined as closing documents prepared by H&H Financial Group, LLC dba Life Mortgage Group) in the name of the Broker with the settlement funds provided by H&H Financial Group, LLC dba Life Mortgage Group. The Broker represents and warrants each mortgage offered for assignment shall be valid, sufficient, and in recordable form. Further, each Note shall be endorsed by an authorized officer of Broker (or by authorized officer/employee of H&H Financial Group, LLC dba Life Mortgage Group when Broker has executed a limited power of attorney) payable to the order of H&H Financial Group, LLC dba Life Mortgage Group. In addition, in consideration of H&H Financial Group, LLC dba Life Mortgage Group disbursing loan proceeds, if requested by H&H Financial Group, LLC dba Life Mortgage Group or someone acting on behalf of H&H Financial Group, LLC dba Life Mortgage Group, the Broker agrees to fully cooperate in adjusting for clerical errors, any and all loan closing documentation deemed necessary or desirable at the sole discretion of H&H Financial Group, LLC dba Life Mortgage Group to enable H&H Financial Group, LLC dba Life Mortgage Group to sell, convey, seek guaranty, or market all loans to any entity. Broker and H&H Financial Group, LLC dba Life Mortgage Group may agree that the Broker provides funds to closing whereupon H&H Financial Group, LLC dba Life Mortgage Group will purchase such closed loan upon review of closing documents. The Broker does hereby agree and covenant as aforesaid in order to assure the loan documentation executed will conform and be accepted in the market place in the instance of transfer, sale or conveyance by H&H Financial Group, LLC dba Life Mortgage Group of its interest in and to said loan documentation. All documents submitted are genuine and all other representations as to each mortgage are true and correct and meet the requirements and specifications of all parts of the Agreement.

6. **WARRANTIES AS TO LOAN DOCUMENTATION**

Seller represents and warrants as to each mortgage offered for sale under this Agreement that:

- 6.1 The mortgage has been duly executed by the mortgagor, acknowledge and has been/will be recorded, is valid, and is first lien of the real property held in fee simple.
- 6.2 Seller is the sole owner of the mortgage and has authority to sell, transfer and assign the same on the terms herein set forth; and there has been no assignment, sale thereof by Seller and that the sale is free and clear of claims or encumbrances of any type.
- 6.3 The full principal amount of the mortgage has been advanced to the mortgagor, either by payment direct to him or by payment made on his request or approval: the unpaid principal balance is as stated; all costs, fees and expenses incurred in making, closing and recording the mortgage have been paid; no part of the mortgaged property has been released from the lien of the mortgage; the terms of the mortgage have in no way been changed or modified, and mortgage is current and not in default.
- 6.4 Each mortgage which Seller represents is delivered to Purchaser in an insurable fashion as stated in the FHA Manual within the time provisions as set forth in paragraph.
- 6.5 All applicable Federal, State and local laws, rules and regulations have been complied with, including but not limited to, the Real Estate Settlement and Procedures Act, Usury Laws, the Equal Credit Opportunity Act, the Home Mortgage Disclosure Act, the Privacy Act of 1974, the Financial Institution Reform, Recovery and Enforcement Act, the Federal Emergency Management Act, and the Federal Truth in Lending Act. Seller fully indemnifies Purchaser against any and all claims, demands and/or actions relating to any alleged violation of such laws, rules and regulation.

- 6.6 There is in force a paid-up ALTA title insurance policy (long or short form if applicable) on the mortgage issued by an accredited title company approved by Purchaser in an amount at least equal to the outstanding principal balance of the mortgage. Such policy shall be assignable to Purchaser.
- 6.7 There is in force for such loan a hazard insurance policy and flood insurance coverage, (if flood insurance is required) in compliance with the Federal Emergency Management Act, in an amount at least equal to the outstanding principal balance of the mortgage or to the full insurable replacement value of the improvements, whichever is less, such policy containing a mortgagee clause, and containing suitable provisions for payment on all present and future mortgages on such premises in order of precedence.
- 6.8 The assignment of the mortgage from Seller to Purchaser is valid and sufficient.
- 6.9 All documents submitted are genuine, and all documents presented by Seller to Purchaser requiring Mortgagor(s) signatures do, in fact, bear genuine signatures of the Mortgagor(s). There are no defects in the loans offered to Purchaser and all loans presented for purchase are in all respects what they purport to be.
- 6.10 All loans have been originated in an ethical manner in accordance with the applicable Mortgage Purchase Agreement.
- 6.11 Seller warrants that all mortgage loans shall be closed by a title agency or settlement attorney approved by Purchaser and that no officer, employee or agent or Seller shall close any mortgage loan except as specifically provided herein. Seller shall provide Purchaser with an original insured closing letter for all title agencies and settlement attorneys.
- 6.12 Seller warrants that the Limited Power of Attorney, which is required on all loans delivered to Purchaser from Seller, is fully executed and recorded.

7. **QUALITY CONTROL**

-All loans originated by Seller and Purchased by Purchaser shall be subject to Purchaser's quality control and audit procedures which will include, but will not be limited to, independent verifications of loan, property and credit information. Seller grants to Purchaser the right for an on-site review and audit of Seller's loan policies, procedures and records to be preformed by Purchaser's quality control staff or similarly assigned personnel. Seller will provide Internal Quality Control reports to Purchaser upon Purchaser's request. Seller warrants that there is a FHA acceptable Quality Control Plan in place.

-If Purchaser rejects a loan, Seller may substitute a different loan to fulfill the terms of the commitment, provided that such substitution is received prior to the commitment's expiration date. Substituted loans must meet the same eligibility criteria of that particular commitment. Any substitutions which occur beyond the commitment's expiration date must be prior-approved by Purchaser, and will be subject to a late delivery penalty fee.

8. **REPURCHASE OF LOANS**

Seller agrees to repurchase any loan sold to purchaser at any time during the life of the loan upon the occurrence and/or discovery of any of the following events:

- (a) Seller makes any misstatement of material fact relating to or arising out of any loan.
- (b) Purchaser fails to obtain FHA insurance, or such insurance lapses as a result of any act or failure to act by Seller or Mortgagor
- (c) Seller fails to satisfy the document delivery requirements under paragraph 4 of this Agreement
- (d) Any material third party fraud or misrepresentation which is determined to exist that the broker should have known about with standard good practices. This includes, but is not limited to, any misrepresentation of income i.e., funds on deposit, or employment, etc.

Loans shall be repurchased at par or Purchaser's commitment, whichever is higher, plus any additional accrued interest and cost incurred by Purchaser for action taken, including any servicing release fee that has been paid by Purchaser. Seller agrees to repurchase any loan sold to Purchaser by the expiration date shown in the repurchase request. Without limiting any of the seller's rights hereunder, failure to comply may result in the following action: termination of this Agreement, appropriate legal action, and/or withholding of fees due Seller.

9. **SOLICITATION FOR REFINANCE**

Seller agrees that should any Mortgage Loan be paid in full by refinance of said sellers, its agents, affiliates, or subsidiaries within 91 days of the closing date, Seller shall pay a penalty to H&H Financial Group, LLC dba Life Mortgage Group of 1% of the new mortgage amount.

10. **MANDATORY DELIVERY**

Seller agrees that delivery of loans committed to Purchaser is mandatory on each loan that closes and has been committed for sale

to Purchaser. Excessive fallout may result in the suspension of this Agreement and other forms of recourse.

11. FINANCIAL STATEMENTS

Seller shall provide financial statements to Purchaser as of the date of this Agreement and annually thereafter based on Seller's fiscal year-end. In its sole discretion, Purchaser may require Seller to provide interim financial statements on a more frequent basis. Without limiting any of the Seller's other rights under this agreement, failure to provide financial statements within 120 days of financial year-end or as requested by Purchaser until such time as financials are received. Purchaser shall provide financial statements to Seller upon request.

12. FILING OF REPORTS

Seller and all originators have filed all reports required by all governmental agencies having jurisdiction over the loans purchased by Purchaser hereunder, and have complied with all applicable federal, state and purchased by Purchaser.

13. DURATION

This Agreement will become effective on the date Seller is approved by the Department of Housing and Urban Development to act as Loan Correspondent of Purchaser or the date this Agreement is executed by H&H Financial Group, LLC dba Life Mortgage Group (whichever occurs last). This Agreement shall continue in full force and effect and shall govern all transactions between the parties hereto, until termination in accordance with the terms set forth in paragraph 14.

14. TERMINATION

Either party shall have the privilege, without cause, to cancel and annul this Agreement (including all addendum and modification) at any time upon five (5) days written notice by registered mail, or personal delivery of notice, to the other party.

15. SELLER'S QUALIFICATION TO DO BUSINESS

Seller warrants and certifies that it is in good standing, licensed and qualified to do business by all appropriate agencies and in each jurisdiction in which it operates and in which the mortgage sold under this Agreement have been originated.

16. LITIGATION; COMPLIANCE WITH LAWS

There is no litigation, proceeding, or governmental investigation existing or pending, or, to the knowledge of Seller, threaten, or any order, injunction, or decree outstanding against or relating to Seller, that has not been disclosed by Seller to Purchaser or its counsel in writing, which could have a materially adverse effect upon the servicing or the other assets purchased by Purchaser hereunder. Further, Seller does not know of any basis for any such litigation, proceeding, or governmental investigation. Neither Seller nor an originator has violated any applicable law (including, but not limited to, usury laws, Truth-in-Lending Act, and the Equal Credit Opportunity Act), regulation, ordinance, order, injunction, or decree, or any other requirement of any governmental body or court, which may affect any of the loans or the servicing purchased.

17. RECEIPT OF INFORMATION BY SELLER

Seller agrees that nay information provided by Purchaser to Seller after the loan is purchased is for the internal use of Seller only. Seller agrees to indemnify Purchaser and hold Purchaser harmless from any misuse by Seller of information provided, and/or any action taken by Seller after receipt of such information, which results in a violation of any federal, state, or local laws or regulations. This includes, but is not limited to, violations of the Fair Credit Reporting Act and the Fair Debt Collection Practices Act.

18. ASSIGNMENT

It is hereby agreed by the parties that there will be no assignment or transfer of the Agreement, not of any interest in this Agreement, not of any interest in this Agreement, as delegated of any duties under this Agreement.

19. LAW GOVERNING

Seller represents, covenants and warrants that any loan it submits to Seller for approval shall be in compliance with all applicable Federal, State and Local statutes, ordinances, and regulations including but not limited to the Real Estate Settlement Procedures Act,

the Equal Credit Opportunity Act, the Truth-in Lending Act, the Fair Credit Reporting Act, the Flood Disaster Protection Act, and HUD's Tiered Pricing Policy and with regulations issued pursuant thereto.

20. ENTIRETY OF AGREEMENT

This instrument embodies the entire agreement between the parties, and there are no promises, terms, conditions, or obligations, other than those contained herein. This contract supersedes all previous communications, representations or agreements, either verbal or written between the parties hereto.

21. INCORPORATION OF FHA MANUAL

It is mutually understood and agreed that the Purchaser's FHA Manual and all its terms and provisions are hereby included and incorporated into this Agreement. Purchaser reserves the right to modify and amend its manual from time to time, and all such amendments and modifications will become a part of this Agreement.

22. PURCHASER FUTHER AGREES TO THIS AGREEMENT:

- A. Cannot be modified except in writing, signed by H&H Financial Group, LLC dba Life Mortgage Group
- B. Shall inure to the benefit of H&H Financial Group, LLC dba Life Mortgage Group and its affiliates, successors and/or assigns
- C. Shall be binding on Purchaser and its successors and/or assigns
- D. Shall be governed by the internal law of the State of Indiana and any disputes hereunder shall be brought in a court of competent jurisdiction in Warrick County, Indiana or the Federal Court situated in Evansville, IN
- E. This Agreement and the transactions entered into pursuant hereto shall not create between the parties a relationship of agency, legal representation, joint venture partnership or employment and the parties agree that they are not in any way authorized to make any contract, agreement, warranty or representation or to create express or implied on behalf of any other party.

IN WITNESS WHEREOF, the parties have executed this Agreement with their respective duly authorized officers of the day and year first above written.

**Any Principal owning 10% or greater must sign

Signature Required

SELLER

X _____
Originator's signature

Print or Type Name and Title

X _____
Originator's signature

Print or Type Name and Title

X _____
Originator's signature

Print or Type Name and Title

X _____
Originator's signature

Print or Type Name and Title

Date: _____

PURCHASES

H&H Financial Group, LLC dba Life Mortgage Group

By: _____

Its: _____

Date: _____