



## Broker Application Checklist

Thank you for your interest in becoming a business partner with Pinnacle Capital Mortgage (PCM). Our Broker Approval process reflects our commitment to the highest principles governing the mortgage lending industry.

### Complete the following forms:

- Broker Application-Company must be in business a minimum of 2 years
- Wholesale Mortgage Broker Agreement
- W-9
- FHA Addendum (if applicable)

### Please attach the following documentation

- Copy of Broker License (for Colorado brokers, include all Loan Officer Licenses)
- Articles of Incorporation (Corporation) - Please include all original AND any amended articles
- Articles of Organization (LLC) - Please include all original AND any amended articles
- Partnership Agreement (Partnership)
- Résumé of Broker of Record
- Résumé of Owner(s) and Officer(s)
- HUD Approval letter (If applying for FHA approval)

We will run an internal review of your application including a soft hit credit report (NOTE: report generates an Experian FICO SCORE ONLY). Minimum FICO 620 required for all principals. An overall "Meets Standards" audit results are required.

**Submit your completed broker package to Broker Administration by fax to:**

**503-718-9823 or e-mail to [BrokerApproval@pcmloan.com](mailto:BrokerApproval@pcmloan.com).**



## Broker Application

### Company/Lender Information

PCM AE: \_\_\_\_\_  
 Legal Name: \_\_\_\_\_  
 DBA Name: \_\_\_\_\_  
 Street Address: \_\_\_\_\_  
 City, State, Zip: \_\_\_\_\_  
 Primary Contact (will be account administrator): \_\_\_\_\_  
 Secondary Contact: \_\_\_\_\_  
 Phone No: \_\_\_\_\_ Fax No.: \_\_\_\_\_  
 Email Address of Primary Contact: \_\_\_\_\_  
 Website Address: \_\_\_\_\_

### Type of Business

Proprietorship  Partnership  Corporation  LLC      Number of Employees: \_\_\_\_\_

### Corporate Tax Filing Information

Federal Tax I.D. # \_\_\_\_\_ - \_\_\_\_\_      Or SSN if no Fed# \_\_\_\_\_ - \_\_\_\_\_

### State Issued Brokers License

California DRE only (CFL Licenses not accepted)

List all states you are currently licensed to do business in:

NMLS #: \_\_\_\_\_

State	License Number	Expiration Date

### Agency Approvals

Currently FHA Approved?  Yes  No

FHA ID Number: \_\_\_\_\_

VA Approved  Yes  No

VA Agent ID Number: \_\_\_\_\_



**Certification and Authorization**

I, the undersigned officer, am authorized to provide this information to PCM on behalf of my company and I agree to provide further the information so requested by PCM. In addition, I certify that the information provided is true and correct and that I hereby authorize PCM to verify the information contained herein including lender references. I made no misrepresentation in the application or other documents, nor did I omit any material facts or information.

It is understood PCM will make reference inquiries from time to time and that it may, at the sole expense of PCM, order credit reports, review information provided by Interthinx and/or independent background investigations on the applicant or principals. It is further understood PCM is not bound in any manner, nor under any obligation to the applicant, until the applicant is approved in writing as a Broker and the Wholesale Mortgage Broker Agreement is signed by both parties.

Name of Licensed Broker: \_\_\_\_\_ Title: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**Appendix to Broker Application (Corporation Brokers Only)**

**Corporate Resolution**

I, \_\_\_\_\_, Corporate Secretary of \_\_\_\_\_ do hereby certify that at a combined meeting of the stockholders and directors of the Corporation duly called and held at the office of the Corporation on \_\_\_\_\_ wherein a quorum of the stockholders and directors were present and voting throughout, it was upon motion(s) duly made and seconded, that the following resolutions be voted:

In his/her capacity as Licensed Broker of the Corporation, \_\_\_\_\_ is empowered, authorized and directed to execute, deliver and accept any and all documents and undertake all acts reasonably required or incidental to accomplish the foregoing vote, all on such terms and conditions as he/she in his/her discretion deems to be in the best interests of the Corporation.

I further certify that said resolution(s) is/are in full force and effect without rescission, modification or amendment.

Signed under seal on this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_.

A TRUE  
RECORD  
ATTEST

Signed by Corporate Secretary: \_\_\_\_\_

Signed by Licensed Broker: \_\_\_\_\_



## Wholesale Mortgage Broker Agreement

This Wholesale Mortgage Broker Agreement is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_ by and between Pinnacle Capital Mortgage Corp. (“PCM”) (hereinafter referred to as “Lender”) and , \_\_\_\_\_ (“hereinafter referred to as “Company”).

Whereas, the parties to this Agreement wish to establish a non-exclusive relationship whereby the Company will from time to time, present to PCM a Loan Package on behalf of Borrower(s) in order to obtain an approval for a Mortgage funding and/or purchase by PCM.

Each party wishes to enter into this Agreement to set forth the terms, conditions, and representations of their relationship; the parties hereby agree as follows:

1. The relationship between the parties is an independent contractor relationship. The Company is not an employee or agent of PCM and shall make no representation that the Company’s office is an office or branch of PCM, or that the Company is acting as an employee or agent of PCM. Nor shall the Company use PCM’s name, logo(s) or slogan(s) or insured status in any advertising without PCM’s prior written consent. The Company shall be exclusively responsible for the actions of its own employees, officers, agents, affiliates, attorneys, etc. (collectively referenced herein as “the Company”), as well as any and all of its own costs and expenses, in connection with the Company’s business and loan processing. Nothing contained in this Agreement shall obligate the Company to submit all its Loan Packages to PCM or obligate PCM to approve, fund or purchase any Loan Packages / Mortgage submitted by the Company.
2. This Agreement shall be deemed to be a contract made in California to be governed by and interpreted under the laws of the State of California. The venue for any judicial actions or proceedings shall be in Sacramento County, California. The Company shall be subject to all applicable federal, state, and local laws, statutes, ordinances, rules, regulations, codes, and permits of any and all governmental and/or municipal authorities that have jurisdiction over the localities in which the Company operates its business (hereafter referred collectively to as “Applicable Law”), and shall at all times comply with all such Applicable Law, including but not limited to usury limitations, the Truth-in-Lending Act, Regulation Z, Real Estate Settlement Procedures Act, Equal Credit Opportunity Act, Consumer Credit Protection Act, Home Mortgage Disclosure Act, Flood Disaster Protection Act, each as amended from time to time and other disclosures, consumer credit, privacy and equal opportunity protections applicable to a Loan Package or Mortgage.
3. The Company is and at all times shall remain knowledgeable of and comply with all applicable rules, regulations, and guidelines (herein referenced as “Applicable Guidelines”) related to Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation (FHLMC aka Freddie Mac), Federal Housing Administration (FHA), Department of Veteran Affairs (VA), Government National Mortgage Association (GNMA) for each Mortgage, as applicable to each Loan Package or Mortgage.

4. The Company shall be responsible for the truthfulness and accurate preparation, as well as execution, of each Loan Package provided to PCM. The Loan Package shall conform to PCM's loan product(s) as well as PCM's policies and procedures as established and as may be modified from time to time. PCM shall periodically inform the Company of its eligibility criteria and procedures for funding or purchasing Mortgages.
5. PCM shall have the sole and absolute discretion for underwriting each Loan Package and approving each Mortgage. The Company shall not represent itself to prospective Borrower(s) as having the authority to approve loan applications or issue loan commitments on behalf of PCM. The Company will not represent that PCM has approved or will approve any Loan Package until the Company has been informed of such by PCM in writing. No statement, commitment or representation will be binding upon PCM unless it is in writing and signed by an authorized PCM representative. PCM will prepare closing documents for all Mortgages, or provided that prior arrangement has been approved in writing, PCM will review the closing documents prepared and provided by the Company.
6. Nothing will be owed to the Company by PCM on any submitted Loan Package, which is not funded or purchased by PCM. The Company agrees that it is responsible to satisfy all requirements of this Agreement and approvals conditions of each Loan Package prior to the funding or purchase of each Mortgage, unless otherwise approved to the contrary in writing by PCM. Upon the funding and confirmation of recording of the Security Instrument of any Mortgage for which the Company has submitted an appropriate and complete Loan Package to PCM, PCM will remit to the Company an agreed amount for origination compensation, goods purchased, services actually performed and/or facilities provided, as applicable. The pricing paid for any Mortgage and all other issues related to pricing will be determined by PCM pricing policy, which may change at the sole discretion of PCM.

It is the Company's responsibility to determine any fees, costs or out-of-pocket expenses ("Loan Fees") related to each loan that are to be collected by or for PCM and to notify PCM at least forty-eight (48) hours prior to the requesting of loan documents. PCM is not responsible for errors in Loan Fees unless they are submitted prior to requesting loan documents, as described above, and are confirmed in writing by PCM. The Company may be charged re-draw fees as appropriate. The Company represents that all compensation received by the Company for the Loan Package and Mortgage shall not exceed the fair market value of services actually performed. The Company will not accept any additional compensation from the Borrower(s), or any other person or entity directly or indirectly related to the Loan Package and Mortgage unless appropriately and properly disclosed to all parties in advance and appearing on the Settlement Statement (HUD-1) as appropriate. The Company also represents that any and all Loan Fees shall be properly disclosed to Borrower(s). The Company understands that, in addition to the Company's appropriate disclosure, PCM will disclose to Borrower(s) all compensation and Loan Fees received by the Company of which PCM is aware.

Nothing in this Agreement prohibits the Company, as permissible under Applicable Law, from imposing reasonable and fair market fees and charges upon Borrower(s) for services actually performed. All mortgage related compensation shall be disclosed on the Good Faith Estimate of Closing Costs and the HUD-1/1A Settlement Statement in accordance with Applicable Law. If Applicable Law requires a written agreement between the Company and Borrower(s), a copy of that executed agreement shall be included in each completed Loan Package delivered to PCM prior to funding.

7. The Company represents and warrants to PCM that as of the time any Loan Package information is submitted to PCM and as of the time the each Loan is closed and funded that:

- a. The Company is duly organized and in good standing, possesses all necessary licenses, permits, approvals and authorities to engage in the activities described in this Agreement and will provide to PCM upon request proof of such items.
- b. This Agreement and all actions provided for in this Agreement have been sanctioned by individuals empowered and authorized to enter into such agreements on behalf of the Company. This Agreement constitutes a valid and legally binding agreement of the Company enforceable in accordance with its terms.
- c. The Company does not believe, nor does it have any reason or cause to believe, that it cannot perform and satisfy each and every representation, provision, and covenant contained in this Agreement. Except as disclosed by the Company to and acknowledged by PCM in writing, there is neither any pending, nor to the best of Company's knowledge threatened, suit, action, arbitration, or legal, administrative, or other proceeding or governmental investigation against the Company which could have a adverse effect on the Company's business, assets, financial condition, operations, reputation, Loan Packages or Mortgages.
- d. With respect to each Loan Package submitted by the Company and funded by PCM, the Company has complied with all applicable PCM policies and underwriting criteria as modified from time to time at PCM's sole discretion, as well as Applicable Guidelines and Applicable Law related to the Company's responsibilities pursuant to this Agreement.
- e. The Company shall not provide in any Loan Package or component of a Loan Package with any false, misleading or erroneous information or statements, or omits any fact necessary in determining the appropriate disposition of the Loan Package. PCM has no obligation to the Company to verify that information provided in a Loan Package by the Company is truthful or correct. The Company shall make investigations and inquiries to validate the truthfulness and completeness of the information contained in each Loan Package, warrants that information and documentation provided to PCM are genuine, true and correct in every respect, and shall not fail to disclose any fact or circumstance that might affect PCM's underwriting and / or appraisal processes. The purpose of this warranty is to hold the Company liable for any and all related costs or losses incurred by PCM or by those to whom PCM may sell or assign a Mortgage.
- f. The Company understands that a completed Loan Package provides documentation and support for a Mortgage that will likely be sold in the secondary market. The Company also understands that in adherence with warehousing and secondary market requirements, some Loan Packages and Mortgages will be audited to verify information in the files and the Company shall cooperate with such audit(s) as needed.
- g. Except as otherwise disclosed to and acknowledged by PCM in writing before the submission of any Loan Package, the Company shall have no direct or indirect ownership interest in any property acting as security for the Mortgage, or any business or personal affiliation with, or interest in, any provider of settlement services.
- h. If any Mortgage is rescinded by a Borrower, within three (3) business days of PCM's written request, the Company will reimburse PCM, any amount disbursed to the Borrower(s), a third party or the Company.
- i. The Company will reimburse to PCM any yield spread premium ("YSP") paid to the Company by PCM for any Mortgage that is paid-in-full within the next 5 payments after such Mortgage is funded or purchased by PCM.

- j. If Company, its officers, employees or agents, defrauds Lender, its successors and assigns, as to any loan, Lender shall have right to present said loan to Company for repurchase and repayment of any costs, commissions, rebates or any other fees paid to Company by Lender, forfeiture of any commissions due Company, to demand payment of any cost and damages incurred by Lender, and /or to bring suit in the California Courts of competent jurisdiction and/or Federal District Court seeking a judgment ordering Company to repurchase the loan plus attorney's fees and such other damages and relief as may be appropriate. Absent such fraud the only remedies of the parties for any alleged violation of any provision of the Agreement shall be Company's repayment of any costs, commissions, rebates or any other fee paid to Company by Lender, forfeiture of any commissions due Company, payment of any cost and damages incurred by Lender, and/or to institute binding arbitration before the American Arbitration Association in accordance with its rules.
  - k. With the exception of the Company's obligations described in this Agreement, upon the funding or purchase of the Mortgage by PCM, the Company hereby releases any and all interest in the Mortgage, including without limitation all servicing rights and future compensation, to PCM and its assignees.
  - l. The Company has no knowledge of any fact(s), circumstance(s), component(s) or condition(s) with respect to any Loan Package or Mortgage that can be reasonably expected to possibly (a) cause any governmental or private institutional investor or insurer to judge any Mortgage as an unacceptable investment or ineligible for insurance, (b) cause the loan to become delinquent, or (c) adversely affect the value or marketability of any Mortgage. The Company represents that the Borrower(s) knows, understands, and desires the terms and conditions of the Mortgage funded or purchased by PCM.
8. In addition to any other rights and remedies that PCM may have, the Company shall indemnify and hold harmless PCM and its employees, shareholders, directors, officers, agents, attorneys, successors, or assignees from any and all losses, damages, suits, claims, liabilities or expenses, including but not limited to attorney fees, of any nature against PCM arising from or in any way related to (a) any breach of any representation or warranty contained in this agreement. (b) The Company's neglect or willful acts in connection with any Loan Package / Mortgage or otherwise or (c) the Company's non-compliance with or failure to perform any obligation set forth in this Agreement. The Company's obligation to indemnify PCM under this Agreement shall not be affected by PCM taking any of the following actions with or without notice to the Company (a) liquidation, repayment, retirement or sale or resale of any Mortgage; (b) foreclosure upon any Mortgage; or (c) sale or resale of the property securing the Mortgage.
9. Only those persons previously authorized by the Company in writing may enter into a Loan Commitment and thereby create a Mortgage Delivery Requirement with PCM. The Company will immediately notify PCM in writing to any adding or deletions from its list of authorized individuals and PCM will be justified in relying on any existing list until PCM acknowledges in writing the written revision from the Company. Under a Best Effort Loan Commitment, the Company will not be assessed a financial penalty for failure to deliver committed loans, unless the Company had requested PCM to prepare the Borrower(s) Mortgage Documents for the transaction's settlement. If Mortgage Documents for the transaction's settlement have been issued, PCM may charge the Company a Document Preparation Fee. In addition, PCM will from time to time review the Company's performance regarding Mortgage Delivery Requirements and may, among other options / actions, restrict or suspend the Company's commitments in the future or, not withstanding anything to the contrary contained in the Agreement, immediately terminate this Agreement.

10. In addition to other rights and remedies that PCM may have, in the event there exists a basis to demand repurchase or indemnification of a Mortgage PCM may demand that the Company cure the breach in all material respects within 15 days to the sole satisfaction of PCM. In the event the breach cannot be cured to PCM's sole satisfaction, PCM may require the Company to return any Loan Fees or compensation, including broker compensation received.
11. PCM shall have the right, without additional notice to the Company, to set off against an obligation of any kind owing by the Company to PCM against any obligation, including Loan Fees or other compensation, owing by PCM to the Company. This offset may be made regardless of (a) whether the respective obligations arose from the same loan transaction or crosses over different loan transactions, (b) whether or not PCM shall have made any demand or (c) whether or not said obligation shall have matured or become past due. PCM will document any acts of set off and provide documentation to the Company.
12. All covenants, agreements, representations and warranties made herein shall survive the execution and delivery, as well as the termination, of this Agreement. Either party may terminate this Agreement at any time, with or without cause, upon written notice to the other party. Any termination shall not affect PCM's obligation to pay any amount due to the Company for a Mortgage appropriately funded or purchased under this Agreement; or any other obligation already committed to by either the Company or PCM under this Agreement, including but not limited to the obligations of the Company with respect to the representations and warranties contained herein.
13. The Company, within three (3) business days of discovery, shall give written notice to PCM of (a) the occurrence of any breach of a representation or warranty as set forth in this Agreement; (b) any event or condition which could have material adverse effect on the business, operation, assets or financial condition of the Company or; (c) receipt by the Company of any notice from any agencies concerning revocation or suspension of the Company's license or ability to conduct business.
14. The remedies set forth in this Agreement are neither exclusive nor intended to be limiting in any way. The use of one remedy does not preclude the use of any other remedies generally available at law or equity. No delay or failure to enforce any of the Agreement's terms and conditions shall be deemed to be a waiver and shall not prevent PCM from enforcing any terms or conditions in the future. PCM's exercise or partial exercise of any right or remedy under this Agreement shall not operate or be construed to limit, impair, preclude, cancel, waive or otherwise affect such right or remedy.
15. Both the Company and PCM agree to take all reasonable measures to guard the confidentiality of the other party's financial condition, proprietary techniques, systems and/or loan program information. The Company agrees, without exception, not to reveal any confidential, proprietary or other information and/or trade secrets about PCM or its products, tools or business operations which the Company has obtained or has access. Such matters are shared solely to benefit this relationship and should not be reproduced otherwise.
16. This Agreement is the only agreement and constitutes the entire agreement between the parties and supersedes all prior oral or written agreements and understandings. No supplement, modification or amendment shall be added unless executed in writing by both the Company and PCM. Both the Company and PCM agree to cooperate reasonably and in good faith with one another in the performance of this Agreement. The Company may not assign this Agreement or delegate its obligations to another party without prior written consent of PCM. Such consent may be withheld at the sole and arbitrary discretion of PCM. PCM may assign this Agreement and its rights to successors and assignees, without the

consent of the Company. If assigned, this Agreement shall be binding upon the parties and to their successors and assignees.

17. This Agreement or its addendums may be executed simultaneously or in any number of counterparts. Each counterpart shall be deemed to be an original, and all such counterparts shall constitute one and the same instrument. This Agreement shall be deemed binding when executed by both the Company and PCM. Telecopy signatures shall be deemed valid and binding to the same extent as the original.
18. Any part, term, condition, representation or warranty (collectively referenced herein as "provisions") of this Agreement which for any reason is inoperative, prohibited or is held to be void and/or unenforceable in any relevant jurisdiction, that provision shall be modified to the extent necessary to make it operative or shall be ineffective as to such jurisdiction to the extent of such prohibition or unenforceability, without affecting and/or invalidating the remaining provisions herein. Any such prohibition or unenforceability in any jurisdiction as to any provision of this Agreement shall not invalidate or render unenforceable such provision in any other jurisdiction. The legality, validity or enforceability of the remaining Agreement and its provisions shall in no way be affected or impaired by the waiver of the unenforceable segment.
19. Regarding matters arising from the terms, provisions or application of this Agreement, both the Company and PCM hereby specifically and expressly agree to waive any right to trial by jury. If any party commences any claim, legal action, arbitration or other proceeding against the other arising out of this Agreement, for the enforcement of this Agreement or because of a dispute, breach, default or misrepresentation in connection with any of the terms, conditions or provisions of this Agreement, the parties agree to submit such dispute to mediation. Mediation fees, if any, shall be divided equally among the parties involved. Any claims not settled through mediation, shall be decided by neutral, binding arbitration in accordance with the laws of the State of California and the Arbitration Rules of the American Arbitration Association ("AAA") before an arbitrator selected from the panels of the arbitrators of said AAA. Unless the parties mutually agree to a different arbitrator, the arbitrator shall be a retired judge or justice, or an attorney with at least 5 years of residential real estate law experience, who shall render an award in accordance with substantive California law. In addition to any other relief to which such party may be entitled via the arbitration, the successful or prevailing party shall be entitled to recover from the losing party, reasonable attorney's fees and other related costs incurred due to that claim, legal action, arbitration or proceeding.
20. In cases where the Company issued more than one GFE prior to submitting a loan file to PCM, the Company is required to submit the more current version of the GFE and warrant that the initial and all reissued GFEs were prepared in conformance with RESPA 2010. Broker agrees to hold PCM harmless for any and all litigation that may arise from errors and omissions involving GFE preparation, and allow PCM to deduct any amounts paid to borrowers to cure out of tolerance deficiencies from Company's compensation.
21. The language of this Agreement shall be construed according to its fair meaning and not strictly for or against either party. Some words used in the singular tense may also be meant to denote plural references.

22. All demands and notices required to be provided hereunder shall be in writing and shall be deemed to have been properly given if delivered by a commercial courier or registered / certified mail, when received by the other party at the address as follows:

Pinnacle Capital Mortgage Corporation  
1620 E. Roseville Pkwy, Suite 248  
Roseville, CA 95661  
Toll-Free: (888) 708-2707 Fax (916) 865-2098

and

(Name & Title) \_\_\_\_\_

(Company Name) \_\_\_\_\_

(Address) \_\_\_\_\_

(City, State, Zip) \_\_\_\_\_

(Phone) \_\_\_\_\_ (Fax) \_\_\_\_\_

In signing this Agreement you authorize PCM the right to use a third party review company to pull but not limited to Credit Report, Identify verification, verification of broker license, verification of Errors and Omissions & Fidelity Bond Insurance, Lexis Nexis, OFAC Check, National Fraud Protection Database, Corporation status, Bankruptcy check, HUD Title II and broker references. By signing this agreement both the Company and PCM agree to all provisions stated in this agreement. The parties have signed this Agreement as of the date set forth below:

Company: \_\_\_\_\_

By: \_\_\_\_\_

Name and Title (Print): \_\_\_\_\_

Date: \_\_\_\_\_

**Pinnacle Capital Mortgage Corporation**

By: \_\_\_\_\_

Name and Title (Print): \_\_\_\_\_

Date: \_\_\_\_\_



## Addendum to Wholesale Mortgage Broker Agreement "FHA Addendum"

This addendum to the Wholesale Mortgage Broker Agreement "FHA Addendum" (hereinafter referred to as the "Addendum") dated \_\_\_\_\_ supplements, amends and becomes part of the Wholesale Mortgage Broker Agreement (herein after referred to as the "Agreement"), dated \_\_\_\_\_, by and between Pinnacle Capital Mortgage Corporation, a California Corporation (hereinafter collectively referred to as "Lender") and \_\_\_\_\_ (hereinafter referred to as "Broker").

WHEREAS, Broker wishes to originate and process FHA loans insured by the Federal Housing Administration;

WHEREAS, Lender is an FHA approved lender and agrees to fund FHA loans in accordance with the applicable legislation and guidelines pertaining to such loans; and

NOW THEREFORE, Lender and Broker hereby agree to the following:

### FUNDING

Broker shall originate, process and submit FHA loan application to Lender to underwrite in accordance with Lender's then current underwriting criteria and the requirements for insurance under Department of Housing and Urban Development's ("HUD") Direct Endorsement program. FHA loans must be underwritten and funded in either Lender's or Broker's name in accordance with federal, state, or local requirements.

### BROKER REPRESENTATIONS AND WARRANTIES

In addition to the Broker representations and warranties in the Agreement, Broker hereby represents and warrants at the time Broker delivers each FHA loan to Lender.

Broker is authorized to originate FHA loans under applicable FHA regulations, requirements, standards, and guidelines as amended from time to time. Jurisdiction where the property is located and the property shall be appraised pursuant to FHA appraiser procedures and guidelines.

Lender shall deduct from the loan proceeds the mortgage insurance premium and shall forward to HUD such premium together with the completed mortgage insurance package. In the event that Broker receives from HUD the OTMIP Statement of Account, the MIC, or a suspense letter with regard to the issuance of a MIC, Broker shall forward the same to Lender forthwith. Broker agrees to assist to Lender in resolving any issues relating to the non-issuance or HUD insurance. It is agreed that any future commissions or premiums earned by brokers may be used to offset losses or penalties incurred by Lender.

Each loan to be closed and funded hereunder shall be on loan documentation specified by Lender. Any documents required by Lender to be executed, either by buyer, seller, or a third party, shall be properly executed and contain authentic signatures. All loans shall be closed in accordance with Lender and FHA guidelines.

**LENDER REPRESENTATIONS AND WARRANTIES**

Lender is a HUD approved mortgagee, is approved to participate in the Direct Endorsement program and has met the applicable net worth requirements established by HUD.

**EPD (Early Payment Default)**

Broker will reimburse Lender the Broker Compensation if said loan goes delinquent with the first 6 months. Should Broker not reimburse PCM for any occurrences, Broker will immediately be terminated for FHA.

**INDEMNIFICATION**

Broker agrees to indemnify, defend and hold Lender harmless from and against any claims, penalties, losses, costs or damages, including, but not limited to, reasonable attorney’s fee and expenses incurred by Lender (or any successor or assign), arising out of Broker’s failure to comply with any federal, state, or local requirements, including, but not limited to, HUD/FHA requirements, for qualification and approval as a Loan Correspondent for origination and processing of FHA loans, or arising out of Broker’s failure to comply with each of its obligations for maintaining its status as an approved Loan Correspondent. This indemnification obligation shall be in addition to any obligation to indemnify Lender pursuant to the Agreement.

**TERMINATION**

This Addendum may be terminated in writing at any time by either party upon written notice; provided, however, in the event that Lender, in its sole discretion, deems Broker to be in breach of any of the representations and warranties made herein or the Agreement. Lender may immediately terminate this Addendum without prior notice to Broker. In the event of a termination of this Addendum, Lender and Broker shall promptly notify HUD of such termination.

**COOPERATION FROM BROKER**

Broker agrees to cooperate fully with Lender with respect to providing any information they may request regarding any loan originated by Broke hereunder.

Subject to the modifications set forth herein, all other terms, conditions, and provisions of the Agreement are affirmed, incorporated herein by reference and shall remain in full force and effect. All terms not otherwise defined herein shall have the meaning specified in the Agreement.

**THE ADDENDUM IS HEREBY AGREED TO AND ACCEPTED BY:**

Company: \_\_\_\_\_

Signed: \_\_\_\_\_

Name (Print): \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**PINNACLE CAPITAL MORTGAGE CORPORATION:**

By: \_\_\_\_\_

Name/Title: \_\_\_\_\_

Date: \_\_\_\_\_

## Request for Taxpayer Identification Number and Certification

**Give form to the  
 requester. Do not  
 send to the IRS.**

<b>Print or type See Specific Instructions on page 2.</b>	Name (as shown on your income tax return)	
	Business name, if different from above	
	Check appropriate box: <input type="checkbox"/> Individual/Sole proprietor <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Limited liability company. Enter the tax classification (D=disregarded entity, C=corporation, P=partnership) ▶ ..... <input type="checkbox"/> Exempt payee <input type="checkbox"/> Other (see instructions) ▶	
	Address (number, street, and apt. or suite no.)	Requester's name and address (optional)
	City, state, and ZIP code	
	List account number(s) here (optional)	

### Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Social security number
or
Employer identification number

**Note.** If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

### Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below).

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. See the instructions on page 4.

<b>Sign Here</b>	Signature of U.S. person ▶	Date ▶
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## General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

### Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

**Note.** If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

**Definition of a U.S. person.** For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

**Special rules for partnerships.** Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,

- The U.S. grantor or other owner of a grantor trust and not the trust, and
- The U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

**Foreign person.** If you are a foreign person, do not use Form W-9. Instead, use the appropriate Form W-8 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

**Nonresident alien who becomes a resident alien.** Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a “saving clause.” Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

**Example.** Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity not subject to backup withholding, give the requester the appropriate completed Form W-8.

**What is backup withholding?** Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% of such payments. This is called “backup withholding.” Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

**Payments you receive will be subject to backup withholding if:**

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),
3. The IRS tells the requester that you furnished an incorrect TIN,

4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or

5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the instructions below and the separate Instructions for the Requester of Form W-9.

Also see *Special rules for partnerships* on page 1.

## Penalties

**Failure to furnish TIN.** If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

**Civil penalty for false information with respect to withholding.** If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

**Criminal penalty for falsifying information.** Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

**Misuse of TINs.** If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

## Specific Instructions

### Name

If you are an individual, you must generally enter the name shown on your income tax return. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

**Sole proprietor.** Enter your individual name as shown on your income tax return on the “Name” line. You may enter your business, trade, or “doing business as (DBA)” name on the “Business name” line.

**Limited liability company (LLC).** Check the “Limited liability company” box only and enter the appropriate code for the tax classification (“D” for disregarded entity, “C” for corporation, “P” for partnership) in the space provided.

For a single-member LLC (including a foreign LLC with a domestic owner) that is disregarded as an entity separate from its owner under Regulations section 301.7701-3, enter the owner’s name on the “Name” line. Enter the LLC’s name on the “Business name” line.

For an LLC classified as a partnership or a corporation, enter the LLC’s name on the “Name” line and any business, trade, or DBA name on the “Business name” line.

**Other entities.** Enter your business name as shown on required federal tax documents on the “Name” line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the “Business name” line.

**Note.** You are requested to check the appropriate box for your status (individual/sole proprietor, corporation, etc.).

### Exempt Payee

If you are exempt from backup withholding, enter your name as described above and check the appropriate box for your status, then check the “Exempt payee” box in the line following the business name, sign and date the form.

Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends.

**Note.** If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

The following payees are exempt from backup withholding:

1. An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2),
2. The United States or any of its agencies or instrumentalities,
3. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities,
4. A foreign government or any of its political subdivisions, agencies, or instrumentalities, or
5. An international organization or any of its agencies or instrumentalities.

Other payees that may be exempt from backup withholding include:

6. A corporation,
7. A foreign central bank of issue,
8. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States,
9. A futures commission merchant registered with the Commodity Futures Trading Commission,
10. A real estate investment trust,
11. An entity registered at all times during the tax year under the Investment Company Act of 1940,
12. A common trust fund operated by a bank under section 584(a),
13. A financial institution,
14. A middleman known in the investment community as a nominee or custodian, or
15. A trust exempt from tax under section 664 or described in section 4947.

The chart below shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 15.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 9
Broker transactions	Exempt payees 1 through 13. Also, a person registered under the Investment Advisers Act of 1940 who regularly acts as a broker
Barter exchange transactions and patronage dividends	Exempt payees 1 through 5
Payments over \$600 required to be reported and direct sales over \$5,000 <sup>1</sup>	Generally, exempt payees 1 through 7

<sup>1</sup> See Form 1099-MISC, Miscellaneous Income, and its instructions.

<sup>2</sup> However, the following payments made to a corporation (including gross proceeds paid to an attorney under section 6045(f), even if the attorney is a corporation) and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, and payments for services paid by a federal executive agency.

## Part I. Taxpayer Identification Number (TIN)

**Enter your TIN in the appropriate box.** If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited liability company (LLC)* on page 2), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

**Note.** See the chart on page 4 for further clarification of name and TIN combinations.

**How to get a TIN.** If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at [www.ssa.gov](http://www.ssa.gov). You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at [www.irs.gov/businesses](http://www.irs.gov/businesses) and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting [www.irs.gov](http://www.irs.gov) or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

**Note.** Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

**Caution:** A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.

## Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 4, and 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). Exempt payees, see *Exempt Payee* on page 2.

**Signature requirements.** Complete the certification as indicated in 1 through 5 below.

**1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983.** You must give your correct TIN, but you do not have to sign the certification.

**2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983.** You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

**3. Real estate transactions.** You must sign the certification. You may cross out item 2 of the certification.

**4. Other payments.** You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

**5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions.** You must give your correct TIN, but you do not have to sign the certification.

## Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information such as your name, social security number (SSN), or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

Call the IRS at 1-800-829-1040 if you think your identity has been used inappropriately for tax purposes.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

**Protect yourself from suspicious emails or phishing schemes.** Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to [phishing@irs.gov](mailto:phishing@irs.gov). You may also report misuse of the IRS name, logo, or other IRS personal property to the Treasury Inspector General for Tax Administration at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: [spam@uce.gov](mailto:spam@uce.gov) or contact them at [www.consumer.gov/idtheft](http://www.consumer.gov/idtheft) or 1-877-IDTHEFT(438-4338).

Visit the IRS website at [www.irs.gov](http://www.irs.gov) to learn more about identity theft and how to reduce your risk.

### What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account <sup>1</sup>
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor <sup>2</sup>
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee <sup>1</sup>
b. So-called trust account that is not a legal or valid trust under state law	The actual owner <sup>1</sup>
5. Sole proprietorship or disregarded entity owned by an individual	The owner <sup>3</sup>
For this type of account:	Give name and EIN of:
6. Disregarded entity not owned by an individual	The owner
7. A valid trust, estate, or pension trust	Legal entity <sup>4</sup>
8. Corporate or LLC electing corporate status on Form 8832	The corporation
9. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
10. Partnership or multi-member LLC	The partnership
11. A broker or registered nominee	The broker or nominee
12. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity

<sup>1</sup> List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

<sup>2</sup> Circle the minor's name and furnish the minor's SSN.

<sup>3</sup> You must show your individual name and you may also enter your business or "DBA" name on the second name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

<sup>4</sup> List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships* on page 1.

**Note.** If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

### Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons who must file information returns with the IRS to report interest, dividends, and certain other income paid to you, mortgage interest you paid, the acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA, or Archer MSA or HSA. The IRS uses the numbers for identification purposes and to help verify the accuracy of your tax return. The IRS may also provide this information to the Department of Justice for civil and criminal litigation, and to cities, states, the District of Columbia, and U.S. possessions to carry out their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You must provide your TIN whether or not you are required to file a tax return. Payers must generally withhold 28% of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to a payer. Certain penalties may also apply.