



FHA ID#: \_\_\_\_\_

VA ID#: \_\_\_\_\_

### FHA/VA ADDENDUM TO BROKER AGREEMENT

**THIS FHA/VA ADDENDUM TO BROKER AGREEMENT** (this "Addendum") is made and entered into as of the day set forth below, by and between **LendSource, Inc.**, a Minnesota Corporation with a place of business at 5125 County Road 101, Suite 300, Minnetonka, MN 55345 ("Lender") and the entity whose name and address are set forth below ("Broker").

### RECITALS

**WHEREAS**, the Parties entered into a Broker Agreement (the "Agreement") pursuant to which Lender has agreed to purchase eligible Mortgage Loans from Broker in accordance with the terms and conditions contained therein; and

**WHEREAS**, the Parties desire to set forth in this Addendum the terms and conditions by which Lender shall, from time to time, purchase FHA Loans and VA Loans from Broker.

**NOW THEREFORE**, in consideration of the mutual promises contained herein and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

### ARTICLE I RECITALS; DEFINITIONS

**1.1 Recitals.** The recitals set forth above are incorporated herein by reference.

**1.2 Definitions.** Capitalized terms not defined in this Addendum shall have the meaning set forth in the Agreement. As used in this Addendum, the following terms shall have the meanings specified below.

"Loan Guarantee Certificate" means a guarantee of a VA Loan as provided by VA.

"MIC" means Mortgage Insurance Certificate, as issued by HUD for an FHA Loan.

"VA Guarantee" means a guarantee of a Loan as provided by VA and evidenced by a Loan Guarantee Certificate.

**1.3 Ratification and Incorporation.** Except as specifically amended, deleted or supplemented herein, all other terms and conditions of the Agreement: (a) shall remain in full force and effect; and (b) govern the purchase by Lender from Broker of FHA Loans and VA Loans. To the extent the terms and conditions in this Addendum differ from the Broker Agreement with respect to Lender's purchase from Broker of FHA Loans and VA Loans, this Addendum shall control.



## ARTICLE 2 PURCHASE TERMS; ADDITIONAL REQUIREMENTS

- 2.1 In General.** Lender shall only be obligated to close and fund FHA Loans or VA Loans from Broker if: (a) each FHA Loan is insurable by HUD with a MIC and each VA Loan can be guaranteed with a Loan Guaranty Certificate; (b) each FHA Loan or VA Loan satisfies all GNMA pool eligibility requirements in existence at the time of the Closing; (c) the amount of each FHA Loan or VA Loan does not exceed the limits from time established by HUD, VA or Applicable Requirements for the geographical region in which the Mortgaged Property is located; and (d) the Broker and each FHA Loan or VA Loan strictly comply with the terms of this Addendum, the Agreement, the Commitment, Applicable Requirements, the Lender Procedures and the Guidelines.
- 2.2 Purchase and Sale of Loans.** In addition to the requirements in Article II the Agreement, the following additional provisions shall apply to FHA Loans and VA Loans:
- (a) Upon delivery by Broker of a Loan Package for a FHA Loan or VA Loan, Lender shall review such Loan Package to determine if it satisfies all Lender requirements, including Applicable Requirements, the Lender Procedures and the Guidelines. If a FHA Loan or VA Loan satisfies Lender's requirements, Lender shall issue to Broker a Commitment for such FHA Loan or VA Loan.
- 2.3 Government Insurance.** In the event HUD issues an OTMIP Statement of Account or the MIC or the VA issues a Guaranty to Broker, Broker shall forward the MIC or the VA Guaranty to the Buyer within forty-eight (48) hours of receipt. Broker agrees to cooperate with Lender in resolving any HUD insurance or VA Guaranty suspenses.
- 2.4 Documentation.** In addition to the documentation requirements under the Agreement, Broker shall obtain and deliver to Lender all documents required by Agreement, the Commitment, Applicable Requirements, the Lender Procedures and the Guidelines at the time of origination of each FHA Loan and VA Loan:

## ARTICLE 3 ADDITIONAL REPRESENTATIONS, WARRANTIES AND COVENANTS

As further inducement for Lender to enter into this Addendum and consummate the purchases of FHA Loans and VA Loans hereunder, Broker represents, warrants and covenants to Lender as follows:

- 3.1 Required Approvals.** Broker has all applicable and required licenses, approvals and registrations required to do business and originate FHA Loans or VA Loans in each state in which Broker conducts business and/or originates such loans. Broker is approved and in good standing by HUD to act as an FHA and VA mortgage lender. Broker shall deliver to Lender: (a) upon request, copies of such licenses, registrations, approvals and fees, as applicable; and (b) upon request, proof of continuation of such licenses, registrations and approvals.



- 3.2 No Fees.** Broker has not, nor will Broker in the future accept, receive or pay any fees or consideration of any type, directly or indirectly, in connection with a FHA Loan or VA Loan, except such fees as are: (a) permitted by HUD, the VA and Applicable Requirements; and (b) properly disclosed on the HUD1 Settlement Statement executed in connection with a FHA Loan or VA Loan in compliance with HUD, the VA, Applicable Requirements and the Guidelines.
- 3.3 No Knowledge of Adverse Facts.** Broker has no knowledge of any circumstances or conditions with respect to credit packages relating to FHA Loans or VA Loans, or with regard to the FHA or VA Mortgaged Property, FHA or VA borrower(s) or FHA or VA Mortgagor(s) which information would reasonably be expected to cause: (a) HUD to fail to insure an FHA Loan or VA fail to guaranty a VA Loan; or (b) a FHA Loan or VA Loan to become delinquent, unenforceable or which may adversely affect the value or marketability of a FHA Loan or VA Loan.
- 3.4 Valid First Lien.** Each FHA Loan and VA Loan is a valid first lien, fully insurable by HUD in the form of an MIC (in the case of a FHA Loan) or guaranteed by VA in the maximum amount available (in the case of a VA Loan).
- 3.5 Appraisal.** The Mortgage Property has been appraised pursuant to normal FHA or VA appraisal procedures as required by the Guidelines.

#### ARTICLE IV MISCELLANEOUS

- 4.1 Effective Date.** This Addendum shall be effective upon its full execution as of the date hereof.
- 4.2 Termination.** This Addendum may be terminated at any time: (a) by mutual written consent of the Parties; (b) by either Party, without cause, upon ten (10) days' written notice to the other Party; or (c) by Lender immediately if Broker violates any provision of Article II or III herein. In the event of termination, this Agreement shall forthwith become void and Lender shall not be required to purchase any additional Loans; provided, however, that termination shall not release any Party from liability for its own misrepresentation or for any breach by it prior to such termination of any covenant, agreement or warranty contained herein.
- 4.3 Applicability of Broker Agreement.** This Addendum constitutes the entire agreement of the Parties with respect to the subject matter hereof.
- 4.4 Amendment.** This Addendum may be amended only in writing signed by the Parties hereto.



**4.5** **Counterparts.** This Addendum may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which shall be considered one and the same instrument. For the purpose of execution, delivery and validity of this Addendum, a signature on a counterpart sent by facsimile shall be deemed as an original.

**4.6** **Rights; Third Party Beneficiaries.** The provisions of this Addendum are solely for the benefit of the parties and are not intended to confer upon any person except the parties any rights or remedies hereunder. There are no third party beneficiaries of this Addendum and this Addendum shall not provide any third party with any remedy, claim, liability, or other right in excess of those existing without reference to this Addendum.

**IN WITNESS WHEREOF**, each of the undersigned Parties to this Agreement has caused this FHA/VA Addendum to Broker Agreement to be duly executed by a duly authorized representative.

**"BROKER"**

\_\_\_\_\_  
Company Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

**"LENDER"**  
**LendSource, Inc.**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title