



Flanagan State Bank
Financial Institution
Broker Application Checklist

- Application (**included in this package**)
- Broker Agreement/Contract (**included in this package**)
- Audited Financials for most recent 2 years or Call Report
- Resume of Experience on main contact
- Quality Control Plan
- VA Sponsorship Request & check made payable to Veteran's Administration for \$100

VA Sponsorship will not be requested until the VA check is received in our office. VA Loans may start prior to sponsorship, but may not be cleared to close until sponsorship is active.

Please email this finished package back to your initial contact or email to:

Flanagan State Bank
Attn: Robert Anderson
333 Chicago Road, PO Box 302
Paw Paw, IL 61353



Wholesale/Correspondent Application

Account Executive: Justin Yahnig Robert Anderson Josh Heinrich Other: _____

CLIENT INFORMATION

Full Business Name:		DBA:		
Company NMLS:		MERS ID:	<input type="checkbox"/> Not Applicable	
Address:				
City:		State:	Zip:	
Office Phone Number:		Email Address:		
Primary Contact:		Primary Contact Email:		
Type of Ownership: <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> LLC				
Agency Approval & ID's: <input type="checkbox"/> FNMA <input type="checkbox"/> FHLMC <input type="checkbox"/> FHA ID: <input type="checkbox"/> VA ID:				
Tax ID Number:		Time Zone: <input type="checkbox"/> EST <input type="checkbox"/> CST <input type="checkbox"/> MST <input type="checkbox"/> PST		
Date of Incorporation:		Fiscal Year End:	States HUD Approved:	
States Where Licensed to Do Business:				
Do you have a Warehouse Line of Credit: <input type="checkbox"/> Yes <input type="checkbox"/> No		Who is the Company:		
Line of Credit Amount:				
Number of Branches:		Locations:		
Main Branch:				
Parent Company (If Applicable)				
Company Name:				
Address:				
City/State/Zip				
Company's Primary Business:				
Principal Owners/Officers				
Name	Title	% Ownership	Years of Ownership	Date of Birth
Product Volume				
Past Year 20____	FHA Volume	# Units	Average Loan Size	
	VA Volume	# Units	Average Loan Size	
	USDA Volume	# Units	Average Loan Size	
	Conventional Volume	# Units	Average Loan Size	

References			
Wholesale Lender Name	Contact	Email Address	How many years signed up?

Company Declarations	
<input type="checkbox"/> Yes <input type="checkbox"/> No	Has your Company ever been denied, suspended or terminated to do business with any Investor and/or MI company?
<input type="checkbox"/> Yes <input type="checkbox"/> No	Has any officer of your Company been involved in a lawsuit pertaining to the obligation, sale or servicing of mortgage loans in the last five years?
<input type="checkbox"/> Yes <input type="checkbox"/> No	Has any officer or employee of your company ever been listed on any agency exclusionary list?
<input type="checkbox"/> Yes <input type="checkbox"/> No	Does your Company have an affiliated relationship with any settlement service or other real estate company?

If you answered yes to any question, please provide detailed information. If needed, attach a separate sheet.

Per FHA Guidelines, we have requested Flanagan State Bank add us as a sponsored lender or an approved third-party originator. By signing the application below, we certify that all loan officers and key personnel are paid on a W-2 basis and work only for _____(company name).

Our company is applying for the following:
 Correspondent Channel for these programs: USDA Conventional VA FHA
 Broker/Wholesale Channel for these programs: USDA Conventional VA FHA

This application will allow for a mix of Correspondent and Brokered files. Please advise based on your companies' parameters.

I certify that the information contained in this application is considered true and accurate to the best of my knowledge. I have the authority to complete the information on behalf of the company.

Signed by: _____ Date: _____

Printed Name: _____ Title: _____

CONFIDENTIALITY AGREEMENT

This Confidentiality Agreement is made this _____ day of _____, 20____, by and between _____ and each of its divisions and/or affiliates (“Originator”) and Flanagan State Bank (“Lender”). The Originator and Lender hereby agree as follows:

The Lender agrees that all disclosures embodying business affairs and activities, including but not limited to the identification of customers and suppliers, financial information pertaining to the Originator or its customers, business plans and all documents and things related to the Originator’s business and activities (hereinafter referred to collectively as “Confidential Information”) are and remain the sole and exclusive property of the Originator.

The Lender agrees that all disclosures embodying and/or relating to any computer software, systems and related documentation (hereinafter referred to collectively as “Proprietary Information”) are the proprietary property of the Originator either by the way of ownership or license agreements with third parties, and that said Proprietary Information is not publicly known or available from other sources and is presently being maintained and disclosed by the Originator in the strictest of confidence.

The Lender agrees that it will not, without the Originator’s express written consent, disclose or use any Confidential or Proprietary Information at any time either prior, during, or subsequent to the engagement and rendering of the Services, regardless of whether or not Lender participated in the design and development thereof. The Lender agrees that it will not copy, duplicate or permit anyone else to copy or duplicate, either in whole or in part, and documentation, storage media such as tapes and disks or other things relating to Confidential or Proprietary Information. Upon termination of Lender’s services for the Originator for any reason, any copies and/or originals of material containing Confidential or Proprietary Information shall be immediately returned, subject to the Originator’s direction.

The Lender agrees that any unauthorized disclosure by Lender, Lender’s Staff and/or its agents and employees, of any Confidential or Proprietary Information shall cause irreparable injury to the Originator and that, therefore, the Originator shall be entitled to injunctive relief in addition to any other remedies that may be available at law or in equity, in the event Lender breaches any of its duties and/or obligation under this Agreement. The Lender further agrees to pay all of the Originator’s attorney’s fees and related costs arising out of any breach of this Agreement. The Originator further agrees to pay all the Lender’s attorney’s fees and related costs arising out of any breach of this Agreement.

This Confidentiality Agreement may not be modified, amended, or waived in any manner except in writing, executed by both parties. Failure of the Originator or the Lender to enforce rights hereunder shall not be a deemed waiver. Should any provision(s) be ruled invalid by applicable legal authority, such provisions shall be deemed omitted and the remaining terms of the Agreement remain in full force and effect. This Agreement shall be governed by and construed in accordance of the Laws of the State of Illinois.

ORIGINATOR

FLANAGAN STATE BANK

By: _____
(Signature)

By: _____
(Signature)

Name: _____
(Printed)

Name: _____
(Printed)

Title: _____

Title: _____

Date: _____

Date: _____



Agreement for Service AIR Compliant Appraisal Department Services

Flanagan State Bank agrees to provide to _____ (company), the use of our Appraisal Department to provide these services:

- 1) Ordering of appraisal reports
- 2) Ordering of Final Inspections
- 3) Ordering of Corrections to appraisal required by underwriting
- 4) Billing of company for outstanding invoices
- 5) Completion of requirements for AIR guidelines

Company, _____, agrees to the following terms:

- 1) To assist Flanagan State Bank in signing up the required number of appraisers for the area the company does business in.
- 2) To follow all AIR protocols and guidelines, including not requesting a specific appraiser for the orders
- 3) To have all orders paid at closing or pay any outstanding invoices in a timely manner to FSB if a loan cancels, is withdrawn or denied.

I agree to the terms provided and wish to use the Appraisal Ordering Services for our company.

Signature of Manager/Owner

Date

Printed Name



**Wholesale & Correspondent Division
Appraisal Ordering Set Up**

This form is utilized to set up a roster of local appraisers for your company. This must be completed for each branch you maintain. Once set up, your Loan Officers may order through Flanagan State Bank instead of an AMC. Please review our Appraisal Ordering policy prior to sending in your first order.

Company Name: _____ D/B/A _____

Contact: _____ Phone: _____ Email: _____

Company Address: _____

How many branches: _____ Branch Locations: _____

Appraiser Roster: (Please list 3 – 5 appraisers you prefer to do business with in your area. We will begin the process of adding them to our roster of appraisers. Please include FHA & Conventional Appraisers)

#1 Appraiser Name: _____ Phone: _____

Email Address: _____

#2 Appraiser Name: _____ Phone: _____

Email Address: _____

#3 Appraiser Name: _____ Phone: _____

Email Address: _____

#4 Appraiser Name: _____ Phone: _____

Email Address: _____

#5 Appraiser Name: _____ Phone: _____

Email Address: _____

An email will be sent to the email listed on this form once your roster is completed. Please email your Account Executive or our Appraisal Department with any questions.



VA Agency Agreement

1. **LOANS:** All loans to be purchased by various institutions investors shall be originated by you and shall be insured by the Department of Veterans Affairs (VA). Each loan shall be eligible in all respects for inclusion in a pool of mortgages underlying the issue of GNMA mortgage backed security. You are authorized to originate the loan application, process all necessary documentation including but not limited to the employment verification, deposit verification, credit report and appraisal along with other VA required documentation.
2. **CREDIT UNDERWRITING:** Flanagan State Bank is VA approved for automatic underwriting and will underwrite all "Agent for" loans. The VA Form 26-1802a must be submitted with your company's name and address as Agent for FSB
 - a. VA approved Correspondents (with automatic authority) may underwrite their own VA loans. The underwriter's certification and signature must appear on VA 26-1820, section Q or on a separate document as is required for VA loans closed on an automatic basis.
3. **CLOSING THE LOAN AS A CORRESPONDENT:** All loans will be funded and closed in your company's name. VA Form 26-1820, item 25a must be completed with your company's name and address as "Agent" for FSB. An officer of your company must sign item 26b. A copy of the complete closing package must be furnished to FSB within five (5) business days of closing. Upon your approval from VA, you will issue your own lender identification number that will be used on the VA Form 28-1820 and the VA funding Fee Transmittal.
4. **LOCK-IN AGREEMENT:** You are authorized to issue a written lock-in agreement to the veteran upon their request. FSB must be notified in writing on any lock-ins and such lock-ins must comply with FSB's lock-in policy. Additionally, your local VA jurisdiction office must approve any lock-in agreements
5. **QUALITY CONTROL:** Ten percent of closed loans on which you are deemed "Agent" will be reviewed. The cost of the quality control will be at your own expense. Your company will be notified directly by the VA office to which loans they have selected to review.
6. **LOANS FOUND DEFECTIVE:** You will indemnify and hold FSB harmless against any damages arising from defective loans sold to or funded by Flanagan State Bank. If the VA withdraws or reduces the insurance of guaranty for any loan due to, or relating to, the processing or closing of the loan or any of the origination documentation from any untrue or incorrect representation or warranty arising from the origination or closing of the loans, or causing liens to be ineligible to be delivered into the secondary market, Agent shall indemnify FSB against all losses, including reasonable attorney fees

incurred by FSB in defense of any claim or liabilities or in enforcing the terms and provisions of the agreement, including this indemnity.

7. AGREEMENT OF ASSISTANCE: Agent agrees to assist in obtaining supplemental documents that may be required by VA in respect to obtaining the loan guaranty certificate, which may include but not be limited to contact with the veteran.
8. MODIFICATION: Any modification of this agreement must be in writing
9. RIGHTS TO TERMINATE: If you fail to comply with any of the terms and conditions set forth herein or fail to conform to VA regulations, FSB shall have the right to terminate this agreement by giving you ten (10) days written notice with respect to all loans which have not already been closed
10. GOVERNING LAWS: The agreement shall be governed by, construed and enforced with the laws of the State of Illinois.

If you accept the terms and conditions, please execute and return to Flanagan State Bank along with a check made payable to the Department of Veteran Affairs in the amount of \$100.

Agreed and Accepted by:

Printed Name

Signature

Date

Robert Anderson, Senior Vice President
Flanagan State Bank

Date



VA Authorized Agent Application

New VA Approval

The following list states the documentation required to complete a package for VA sponsorship from Flanagan State Bank:

- VA Authorized Agency Agreement (included)
- Form 26-8812
- A letter stating full company name, address, company web address (if applicable), contact name, contact e-mail, contact phone, contact fax, federal tax ID Number, state tax ID number and a list of principal officers including their social security numbers (not included)
- A Letter stating the account's intent and geographic area in which they intend to originate VA loans on your company's letterhead (not included)
- \$100 fee made payable to "Department of Veteran's Affairs"

Already VA Approved & Need Additional Sponsor

If an account is currently VA Approved and is requesting a sponsorship from Flanagan State Bank, the following will be required:

- VA Authorized Agency Agreement
- Form 26-8812
- A letter stating full company name, address, company web address (if applicable), contact name, contact e-mail, contact phone, contact fax, federal tax ID Number, state tax ID number and a list of principal officers including their social security numbers (not included)
- A letter stating the account's VA number and request for sponsorship from FSB on company letterhead (not included)
- \$100 fee made payable to "Department of Veteran's Affairs"

Originals of the listed items are to be sent to our TPO Division. Your application request will be sent on to the VA office on your behalf. You will be notified by VA upon approval.

Please forward to:

Flanagan State Bank
Att: VA Sponsorship Request
333 Chicago Road, PO Box 302
Paw Paw, IL 61353

VA EQUAL OPPORTUNITY LENDER CERTIFICATION

To induce the Department of Veterans Affairs to act on any veteran's application submitted by or on behalf of the undersigned lender, the undersigned hereby agrees:

1. That neither the lender nor anyone authorized to act for it will deny a VA loan to a veteran or discriminate in the fixing of the terms or conditions of such loan because of his or her race, color, religion, sex, handicap, familial status, or national origin;
2. To apprise minority and female veterans of the availability of VA financing offered by the lender by conforming all advertising to the VA Advertising Guidelines for Fair Housing;
3. To prominently display the Equal Opportunity Lender poster in each place of business where VA loans are offered by the lender;
4. To incorporate the equal housing opportunity logo, slogan or statement as outlined in the VA Advertising Guidelines for Fair Housing in all advertising, including outdoor signs, radio, television, newspapers and other printed materials;
5. That noncompliance with the foregoing requirements may constitute a basis for the Secretary to refuse to accept applications from the lender. The Secretary may also refuse to accept applications where the lender has been denied participation in HUD Programs.



**EQUAL
OPPORTUNITY
LENDER**

SIGNATURE

DATE

NAME (Type or Print)

TITLE

FINANCIAL INSTITUTION

ADDRESS OF FINANCIAL INSTITUTION

NOTE: Compliance with requirements of a Federal regulatory agency in respect to advertising guidelines and poster requirements shall be deemed to comply with Paragraphs 2, 3, and 4 above.

SEE REVERSE FOR VA ADVERTISING GUIDELINES FOR FAIR HOUSING

DEPARTMENT OF VETERANS AFFAIRS

ADVERTISING GUIDELINES FOR FAIR HOUSING

Section 804(c) of Title VIII of the Civil Rights Act of 1968, as amended, prohibits advertising housing for sale or rent in a manner that indicates a preference for or against potential home buyers because of their race, color, religion, sex, handicap, familial status, or national origin.

Section 805 of Title VIII of the Civil Rights Act of 1968, as amended, prohibits financial institutions from denying residential loans or financial assistance because of the applicant's race, color, religion, sex, handicap, familial status, or national origin.

For persons engaged in or associated with advertising the availability of residential financing, the following guidelines are provided to assist in complying with the VA's equal opportunity program.

1. All advertising of residential financing will contain an Equal Housing Opportunity logo, slogan or statement as a means of advising the homeseeking public that financing is available to all persons regardless of race, color, religion, sex, handicap, familial status or national origin.

a. Equal Housing Opportunity Logo:



If other logos are used in the advertisement, then the Equal Housing Opportunity logo should be of a size comparable to other logos.

b. Equal Housing Opportunity Slogan: EQUAL OPPORTUNITY LENDER

c. Equal Housing Opportunity Statement: We are pledged to the letter and spirit of the United States policy for the achievement of equal housing opportunity throughout the Nation. We encourage and support an affirmative advertising and marketing program in which there are no barriers to obtaining housing because of race, color, religion, sex, handicap, familial status, or national origin.

2. If human models are used in display advertising campaigns, the models will be clearly definable as reasonably representing all potential homebuyers in the metropolitan area. Models, if used, will indicate to the general public that the residential financing offered is open to all without regard to race, color, religion, sex, handicap, familial status, or national origin.

3. It should be noted that selective use of these guidelines could be considered an effort to circumvent fair housing advertising, and thereby in noncompliance with Federal regulations. Selective use is defined as using the guidelines or the Equal Housing Opportunity logo or slogan only:

a. when advertising financing for a particular housing development, and not another development with housing units for which financing is also available; or

b. in advertising media that reaches a limited or particular section of the community to the exclusion of other geographic sections within the same community.



MORTGAGE ORIGATION SERVICES AGREEMENT

THIS MORTGAGE ORIGATION SERVICES AGREEMENT (the "Agreement") is entered into between - _____ ("Service Provider") and Flanagan State Bank ("Lender") to be effective this ____ day of _____ 20____.

WHEREAS, Service Provider warrants that it is a duly organized and validly existing entity and that it is in good standing under applicable laws and regulations of the United States of America and the state(s) in which it conducts business; and

WHEREAS, Service Provider has the requisite corporate authority and capacity to enter into this Agreement and that compliance with the terms and conditions of this Agreement will not violate any provisions of Service Provider's charter or bylaws, any instrument relating to the conduct of its business, or any other agreement to which it may be a party; and

WHEREAS, Service Provider develops prospects for mortgage loans and wishes to send to Lender some of its prospects so that Lender can evaluate whether to extend credit to such prospects; and

WHEREAS, Service Provider will promote Lender's loan program, as it deems appropriate, and will provide personnel and space to take applications and forward the same to Lender; and

WHEREAS, Lender will consider extending credit to prospects sent by Service Provider as provided for in this Agreement.

THEREFORE, IT IS HEREBY AGREED between Service Provider and Lender, in consideration of the aforementioned premises and the following mutual obligations and covenants as provided hereinafter, as follows:

1. **Service Provider's Services:** Service Provider will take information from the prospect, fill out the application for each prospect and complete five (5) or more of the listed items:
 - a. Analyzing the prospect's income and debt and pre-qualifying the prospect to determine the maximum mortgage that the prospect can afford.
 - b. Educating the prospect in the home buying and financing process, advising the prospect about the different types of loan products available, and demonstrating how closing costs and monthly payments could vary under each product.
 - c. Collecting financial information (tax returns, bank statements, etc.) and other related documents that are part of the application process.
 - d. Initiating / ordering VOEs (verifications of employment) and VODs (verifications of deposits).
 - e. Initiating / ordering requests for mortgage and other loan verifications.
 - f. Initiating / ordering appraisals.
 - g. Initiating / ordering inspections or engineering reports.
 - h. Providing disclosures (Loan Estimate, Application Disclosures, etc.) to prospect.
 - i. Assisting the prospect in understanding and clearing credit problems.
 - j. Maintaining regular contact with the prospect, realtors, Lender, between application and closing to apprise them of the status of the application and gather any additional information as needed.
 - k. Ordering legal documents.
 - l. Determining whether the property is located in a flood zone or ordering such service.

- m. Participating in the loan closing.

2. Lender's Services.

- a. Performing mortgage origination services from Section 1 not performed by Service Provider, and other loan application processing services.
- b. Approving or declining any loan application submitted or modifying the amount or terms requested.
- c. Reviewing said package with reasonable promptness and advising Service Provider of its approval, disapproval or such additional information it needs to make a decision.
- d. Arranging for the closing and funding of the loan, if approved, and the recording of loan documents.
- e. Recording the loan application and action taken on the Home Mortgage Disclosure Act Loan Application Register.

3. Compensation. For services rendered by Service Provider to a prospect and Lender in accordance with Section 1.0, Lender shall pay to Service Provider a fee of 100 bps or max of \$6,000 on each loan for which Service Provider provides services which subsequently closes. Service Provider shall not charge any fee to a prospect or collect any other discount or origination points from a prospect. Lender will not charge a fee that duplicates the Service Provider's fee. Service Provider must comply with all applicable laws and regulations with respect to any fees charged and collected by Service Provider, and Service Provider shall not charge or collect any fee that is not reflected on the loan closing settlement sheet. The parties agree that all compensation paid pursuant to this Agreement is and shall continue to be in relation to the reasonable value of the services actually performed in the relevant marketplace. In the event that Service Provider owes any amount to Lender hereunder or under any other agreement, understanding or arrangement between Service Provider and Lender, then Lender shall have the right, without notice, to deduct any and all of such amounts from amounts that otherwise would be payable hereunder by Lender to Service Provider.

4. Term. This Agreement shall have an indefinite term, which may be terminated by either party, which termination shall be effective upon thirty (30) days' written notice from either party. Upon the fax or delivery of any such termination notice, it is agreed that no new loans or transactions shall be undertaken by the parties working together. However, it is further agreed that all loans or transactions in progress shall be completed, even if the time to do so extends beyond thirty (30) days, unless other arrangements are made to complete the work, to the mutual satisfaction of both parties. In the event Service Provider is in breach of its obligations under this Agreement, Lender may choose not to accept loans which it has not already funded.

5. Service Provider's Representations and Warranties. Service Provider is properly qualified to do business and licensed in all jurisdictions where such qualification and licensing are required, and Service Provider has complied, and at all times relevant to this Agreement shall comply, with all applicable federal, state and local laws and regulations, including, without limitation, ECOA, RESPA, SAFE, and other fair-lending laws and regulations. In addition, the Seller/Broker will also comply with and perform Customer Identification Program requirements (CIP). Each loan application package must be originated in accordance with and satisfy the requirements of (i) all applicable federal, state and local laws, regulations and rules, (ii) any and all underwriting standards, loan product descriptions, policies, procedures, guidelines, memoranda and other requirements issued by Lender from time to time, and (iii) this Agreement. Pursuant to applicable federal and state law, Service Provider shall fully disclose all Service Provider compensation received for services rendered to a prospect and Lender. Where required by applicable federal or state law, Service Provider shall provide Lender with a copy of a written agreement signed by the prospect setting forth the terms of the relationship including all services rendered in connection with the loan transaction and all compensation received by the

Service Provider as more fully described in Section 3. All forms used and all actions taken by Service Provider shall comply with applicable federal, state and local laws and regulations. Service Provider shall not make any representations to any person as to Lender's actions or intentions without Lender's express written consent. All documents submitted by Service Provider shall be accurate and complete, and all signatures shall be genuine. No fraud has been or shall be committed, nor has any misrepresentation been or shall be made, by any person or entity including, without limitation, Service Provider and the prospect, in connection with the application, execution or submission of any loan application package. All of Service Provider's representations, warranties, and covenants shall be true and correct and deemed made on the date hereof and on each day on which Service Provider sends a prospect to Lender or submits a loan application package through and including the day on which the related loan closes.

6. Additional Requirements.

- a. Concurrent with the delivery of a loan application package to Lender hereunder, Service Provider shall be deemed to have assigned, and hereby does assign, all of its rights, title and interest in and to such loan application package to Lender.
- b. The decision to reject a loan application package or to approve a loan in connection with a loan application package shall be made by Lender in its sole discretion. Service Provider has no authority to, and shall not, make any commitment or agreement on behalf of Lender with any prospect or other third party, or make any representation to any prospect or other third party on behalf of Lender, other than as may be expressly authorized in writing by Lender. Without limiting the foregoing, Service Provider shall not (i) represent to a prospect that Lender will approve a loan application or make any particular determination with respect to a loan application, (ii) represent to a prospect that Lender has made a particular determination with regard to the loan application when Lender has not done so, or make a representation to a prospect that is inconsistent with Lender's determination regarding the loan application, or (iii) represent to a prospect that an interest rate has been locked-in with Lender unless Lender has issued a written lock-in confirmation, or make any representation to a prospect that is inconsistent with any lock-in confirmation issued by Lender.
- c. With respect to any loan made by Lender in connection with a loan application package delivered by Service Provider to Lender hereunder, Service Provider shall not solicit the borrower(s) for a refinance of the mortgage loan within 180 days of origination. Lender will not solicit the borrower for any purpose, including the refinancing of such loan.
- d. At or before execution of this Agreement and within ninety (90) days after the close of each fiscal year during the term of this Agreement, Service Provider shall provide Lender with copies of Service Provider's financial statements. At the time of execution of this Agreement and on each anniversary of the execution date hereof, Service Provider shall deliver to Lender copies of all mortgage origination-related licenses, exemptions, registrations and permits. Lender also may request copies of said licenses at any time during this Agreement. At the time of execution of this Agreement, Service Provider shall deliver to Lender a resolution indicating that the individual(s) executing this Agreement are fully authorized by its managing body to execute and deliver this Agreement on behalf of Service Provider and designating the individuals who are authorized to bind Service Provider for all loan application packages submitted by Service Provider hereunder. Service Provider shall permit Lender and its authorized representatives to examine all books first receiving reasonable notice from Lender, observe Service Provider's facilities and business bureau and other reports and conducting reference checks, and to share information with others about its experiences with Service Provider.

7. **Miscellaneous.** Service Provider is an independent contractor and not an employee of Lender. If Lender determines that Service Provider's application package is incomplete, or if Lender turns down an application package, Lender may, as its option, provide to Service Provider the information necessary for Service Provider to provide a third-party ECOA adverse action notice to the former prospect. Service Provider shall send such notice in compliance with all applicable laws and regulations. Lender shall have the right to take reasonable steps to ensure Service Provider's compliance with this provision. This Agreement shall be non-exclusive, and

Lender may accept prospects from other sources, and Service Provider may send prospects to other lenders. No compensation shall be payable to Service Provider except when Service Provider submits a prospect to Lender for a specific loan and the prospect closes such loan with Lender. Further, no compensation shall be payable to Service Provider in connection with any subsequent refinance of the initial loan. Service Provider shall indemnify, defend and hold Lender harmless from and against any losses, liabilities and claims, including attorneys' fees incurred by or assessed against Lender by reason of Service Provider's breach or alleged breach of any provision of this Agreement. Lender shall have the right to engage legal counsel to represent the interests of Lender if any third-party claim falling within the scope of this indemnity is asserted, and Service Provider shall reimburse Lender for all fees and costs of such legal counsel. Service Provider's indemnity obligations shall be fully applicable regardless of whether Lender has underwritten or approved the related loan and regardless of the contents of the loan application package. This indemnity shall survive the term of this Agreement. Lender shall indemnify, defend and hold Service Provider harmless from and against any losses, liabilities and claims, including attorney's fee incurred by or assessed against Service Provider by reason of Lender's breach or alleged breach of any provision of the Agreement. Service Provider shall have the right to engage legal counsel to represent the interests of Service Provider if any third-party claim falling within the scope of this indemnity is asserted, and Lender shall reimburse Service Provider for all fees and costs of such legal counsel. This indemnity shall survive the term of this Agreement. The parties agree that this Agreement shall be governed by the laws of the State of Illinois. This Agreement is the entire agreement between the parties and may be modified only in writing signed by the parties.

Service Provider recognizes the time, effort and expense incurred by Lender in the training and education of its employees and agrees, as additional consideration to Lender, that during the term of this Agreement, not to hire any employees of Lender for a period of one (1) year after termination of the respective employee's employment for any employment which provides direct or supervisory duties concerning the application, servicing and sale of mortgage loans. This restriction shall also apply to any entity which Service Provider has an ownership or management interest. If Service Provider wishes to directly employ an employee of Lender, it shall contact Lender, and Lender and Service Provider shall discuss whether acceptable terms can be reached under which Lender will waive its rights under this provision.

8. **Confidentiality.** Service Provider acknowledges that certain items and types of confidential and proprietary information (collectively, the "Proprietary Information"), including without limitation this Agreement, the pricing terms, the trade and service marks of Lender, the forms, disclosures and other documents provided to Service Provider in connection with this Agreement, and all non-public personal information of each prospect, are owned and controlled by Lender and constitute valuable assets and trade secrets of Lender. Service Provider shall not sell, lease, assign, license, utilize, distribute, publish or duplicate all or any part of the Proprietary Information, whether received in writing or orally, without obtaining Lender's prior written consent. Service Provider agrees not to disclose any part of the Proprietary Information to any person or entity except to directors, officers and employees of Service Provider who are required to have knowledge of such information in the course of Service Provider's exercise of its rights and obligations under this Agreement. Service Provider agrees to cooperate with Lender in enforcing the provisions of this section against any unauthorized use or disclosure of the Proprietary Information by present or former directors, officers or employees of Service Provider or by others. Upon termination of this Agreement for any reason, Service Provider agrees promptly to return to Lender all of the Proprietary Information provided to Service Provider, to refrain from disclosing any of the Proprietary Information to any persons, and to take all necessary steps to discontinue immediately its use of the Proprietary Information. Service Provider agrees to comply with the privacy and safeguarding requirements of the federal Gramm-Leach-Bliley Act (15 USC § 6801 *et seq.*) and all other applicable regulations and guidelines with regard to information that is subject to such act, regulations and guidelines. The obligations of Service Provider under this section shall survive the termination of this Agreement.
9. **Notices.** All notices required or given with regard to the provisions of this Agreement shall be in writing and faxed or delivered to the parties hereto at the following addresses by hand delivery, overnight courier or certified mail return receipt requested.

Title:
Name:
Company:
Address:
Address:
Phone:

Flanagan State Bank
333 Chicago Road
PO Box 302
Paw Paw, IL 61353

10. Binding Effect. The provisions of this Agreement shall be binding upon and inure to the benefit of Service Provider and Lender and their respective successors and assigns.

11. Complete Agreement. This instrument represents the complete agreement of the parties hereto as to the matters addressed herein. Neither party has been influenced to enter into this Agreement in reliance upon any statements or representations, oral or written, by either party, or by any other person or entity not otherwise expressly set forth herein.

Service Provider, Inc.

By: _____ Date: _____

Its: *President*

Flanagan State Bank

By: _____ Date: _____

Robert Anderson

Its: *Senior Vice President*



HUD Compliance Certification

Are any employees or agents of the applicant currently, or previously been, suspended, debarred, under a limited denial of participation (LDP), identified on an exclusionary list, or otherwise similarly restricted by the Mortgage Review Board, the Office of Management and Budget, or other federal authority?

Yes/No: _____

Signed/Dated _____