

LOAN PROSPECTOR® ORIGINATOR AGREEMENT

This Loan Prospector® User Agreement (the “Agreement”) is made on the date set forth in the box below by and between the Federal Home Loan Mortgage Corporation (“Freddie Mac”) and the Broker or Correspondent (as defined in the Glossary set forth in Section 12 below) named in the box below and hereinafter referred to as “Originator”.

Originator represents and warrants to Freddie Mac that Originator has read all of the terms of the Agreement, set forth below in Sections 1 through 12, understands such terms, and agrees to be bound by all of such terms. **Originator further acknowledges that Freddie Mac has no obligation to perform hereunder until Freddie Mac provides notice of approval to Originator in writing pursuant to paragraph 1(d) herein.**

[Originator must complete all blank spaces below and must sign below for this Agreement to be effective.]				
Complete legal name of Originator _____				
Street address of Originator _____				
Street	City	State	Zip Code	
Name of person executing Agreement for Originator _____				
Title of person executing Agreement for Originator _____				
Date of Execution: _____				
“ORIGINATOR”		“FREDDIE MAC”		
By _____	By Signature Authority of Patricia J. McClung			
Signature	Vice President			

In exchange for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree, as evidenced by their execution of this Agreement above, as follows:

1. Use of System.

(a) Subject to the terms and conditions of this Agreement, Freddie Mac grants to Originator a non-exclusive right to use the System, including any updates and enhancements to the System, the output of the System and the Originator Instructions and other documentation for the System that may be provided to Originator by Freddie Mac. The term "System" and any other capitalized term not defined in the text of this Agreement will have the meaning set forth in the Glossary attached to this Agreement as Exhibit A. Originator will cause data to be entered into the System only with respect to existing mortgage loans held by Originator or potential mortgage loans for which an application or an inquiry has been made to Originator by a potential borrower. Originator's use of the System is subject to the provisions of the Originator Instructions and such other instructions as may be communicated by Freddie Mac from time-to-time in writing, including, without limitation, restrictions on the types of Loan Applications which may be entered into the System and limitations on the marketing of the System or use of the System to prescreen potential borrowers. Except to the extent otherwise provided in this Agreement or consented to by Freddie Mac in writing, Originator will not permit any third parties to use the System, either directly or indirectly through Originator.

(b) Originator acknowledges that it is responsible for developing or obtaining and maintaining the Interface. Freddie Mac has conducted limited tests on the Interfaces provided by certain third parties (the "Interface Providers") and has approved such Interfaces for use in connection with the System. A list of current Interface Providers is available from Freddie Mac upon request. Originator agrees that, notwithstanding any such testing or approval by Freddie Mac, Freddie Mac will have no liability whatsoever arising out of or related to the Interface or the acts or omissions of any Interface Provider. Originator recognizes that Freddie Mac's specifications for the Interface will change from time-to-time, and Originator agrees that it will at all times use only the version of the Interface which complies with the most recent set of specifications released by Freddie Mac. Freddie Mac agrees to notify Originator, either directly or by notice to the Interface Provider used by Originator, of any such specification changes. Freddie Mac will endeavor to provide at least sixty (60) days' notice of any major specification changes and as much notice as is practicable under the circumstances of any minor changes and changes which Freddie Mac desires to have implemented on an emergency basis. Originator agrees that Freddie Mac may terminate the authority of an Interface Provider to continue to provide the Interface, in which case such Interface Provider will be unable to continue to provide the most current version of the Interface, and Originator will be responsible for obtaining a current Interface from a new source. Freddie Mac will have no liability arising out of or in connection with any such termination, whether or not prior notice is provided to Originator; however, Freddie Mac will endeavor to provide Originator with as much advance notice of any such termination as Freddie Mac considers practicable under the circumstances.

(c) Freddie Mac may issue to Originator distinctive user identification names or numbers and/or passwords for specific employees or agents of Originator who are identified by Originator to Freddie Mac as Originator's authorized users of the System. In such case, if Originator terminates the employment or agency of one of its authorized users, Originator agrees that it shall so notify Freddie Mac within three (3) business days.

(d) Originator's right to use the System and Freddie Mac's obligation to perform hereunder shall not accrue until Freddie Mac notifies the Originator in writing that it has been approved to use the System.

2. Fees and Expenses.

2.1 Applicable Fees and Expenses.

In consideration of the foregoing rights, Originator will pay fees to Freddie Mac, and will reimburse Freddie Mac for expenses, in accordance with the provisions of Freddie Mac's fee and expense schedule and payment terms. Such schedule shall be provided to Originator either by (a) written notice (via electronic mail, or facsimile transmission, or other written communication) given by Freddie Mac to Originator upon the execution of this Agreement; (b) the posting of the schedule on Freddie Mac's Internet site. By executing this Agreement and using the System, Originator shall manifest its agreement that it received Freddie Mac's schedule of fees and expenses and payment terms, that it agrees to be bound by, and to comply with, the terms of such schedule at all times, and that it will pay such fees and expenses in accordance with such payment terms. All fees are exclusive of applicable sales, use and similar taxes, if any, and Originator agrees to pay all such applicable taxes upon demand.

2.2 Payment Terms.

The payment terms may include, at Freddie Mac's election, provisions for or relating to the following:

a. Payment of fees and expenses due under the terms of this Agreement by automatic debit, originated by Freddie Mac or its designee, of an Automated Clearing House (ACH) account, and agreement by Originator to make payments to, or to authorize automatic debits by, a designee of Freddie Mac (including, but not limited to, a Mortgage Service Provider), if directed to do so by Freddie Mac.

b. Agreement by Originator to establish an ACH account at its own expense, to make such arrangements as may be necessary for Freddie Mac or its designee to automatically debit such account for amounts due under the terms of this Agreement at such intervals as may be designated by Freddie Mac, and to permit such an automatic debit to be made prior to Originator's approval of all fees or expenses set forth on a periodic statement.

c. Agreement by Originator not to assign to any third party any rights relating to any disputed or erroneous debits to an ACH of Originator, and not to exercise any potential "charge back" rights relating to such debits, and in lieu thereof, agreement by Originator to seek to resolve any asserted disputed or erroneous debit directly with Freddie Mac.

d. Agreement by Originator that if any automatic debit of an ACH account shall be dishonored by the provider or issuer of such facility, Freddie Mac may, at its election, with or without cure rights or any cure period, suspend or terminate Originator's access to the System or terminate this Agreement immediately without prior notice to Originator.

2.3 Changes in Fees or Payment Terms.

Freddie Mac will have the right to change the fees and expenses applicable to the services provided by the System, or any of the payment terms, effective at any time upon at least sixty (60) days' prior notice. Any such changes will be effective on the date set forth in Freddie Mac's notice (unless such date is less than sixty (60) days after the date of the notice, in which case the change in question will be effective on the sixtieth day after the date of the notice). A notice of changes may direct Originator to access a designated part of Freddie Mac's Internet site to obtain all specific changes, and in such event Originator agrees that it will so access Freddie Mac's Internet site and will agree to be bound by, and to comply with, the changes set forth in such site.

3. System Ownership.

3.1 Freddie Mac's Representation.

Freddie Mac represents that Freddie Mac has the right to grant to Originator the rights granted by this Agreement.

3.2 Ownership.

Originator acknowledges that it has no ownership or other interest in the System, except to the extent of the rights expressly granted herein. All applicable rights to copyrights, trade secrets, patents, trademarks and other rights in and to the System and any modifications or enhancements made to the System will belong to and remain with Freddie Mac.

4. Warranties; Limitation of Liability.

4.1 No Warranty.

It is Freddie Mac's desire to operate a System which satisfies the performance objectives established by Freddie Mac, as previously communicated by Freddie Mac to Originator. However, Freddie Mac makes no representation or warranty with respect to the System (except to the extent expressly provided otherwise in Sections 3.1 and 6.1 of this Agreement). In addition, Freddie Mac makes no representation or warranty with respect to any of the data obtained, provided or transmitted by or through the System, including without limitation, any credit reports described in Section 5 below. EXCEPT TO THE EXTENT EXPRESSLY PROVIDED OTHERWISE IN THIS AGREEMENT, THE SYSTEM AND ALL DATA ARE BEING PROVIDED TO USER "AS IS" AND ALL WARRANTIES ARE EXPRESSLY EXCLUDED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF ACCURACY AND THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

4.2 Third Party Services.

Certain products and services belonging to or provided by entities other than Freddie Mac may from time-to-time be provided or made accessible to Originator through the System (collectively referred to as “Third Party Products”), such as mortgage insurance, collateral assessments, infile credit reports, merged credit reports, flood determination services and various types of borrower, property and mortgage-related data. Originator acknowledges that Freddie Mac neither endorses nor has any responsibility whatsoever for such Third Party Products or the entities providing such Third Party Products. Furthermore, Freddie Mac has no obligation at any time to continue to provide or make accessible through the System any particular Third Party Products. Without limiting the foregoing, Originator hereby waives, releases Freddie Mac from any and all claims against Freddie Mac arising out of or related to such Third Party Products.

4.3 Liability Limitation.

Freddie Mac will have no liability under this Agreement or related in any respect to the System (including, without limitation, under any other agreement with Originator related to the System) for consequential, exemplary, indirect or incidental damages, even if it has been advised of the possibility of such damages. Freddie Mac’s sole liability arising out of or related to the System or this Agreement from any source and under any theory whatsoever, including (without limitation) liability arising out of contract, negligence or strict liability, or in tort or warranty, will consist of monetary damages of up to, but not in excess of Two Thousand and Five Hundred and No Hundredths Dollars (\$2,500.00).

5. Data.

(a) Originator agrees that the System may use the Subscriber Number(s) issued to Originator by various credit repositories to retrieve credit reports on the borrowers in connection with each Loan Application and that any credit reports retrieved by the System may result in a notation in the borrower’s file that an inquiry or inquiries, as applicable, were made by Originator. Originator authorizes the System to obtain the aforesaid credit reports on behalf of Originator and to transmit the credit reports to Originator. Originator hereby agrees to provide Freddie Mac with all of such credit reports through the System.

(b) Originator agrees that Freddie Mac will have the right to use the data entered by Originator with respect to each Loan Application, the credit data referenced in Section 5(a) and any other data obtained by or transmitted through the System (collectively, the “Loan Data”) for all purposes related to the System or the loan to which the Loan Data relates and for analytic, statistical, quality control and similar purposes. In addition to the foregoing, Freddie Mac will have the right to provide the Loan Data as requested by Originator in accordance with the provisions of Section 1 hereof, as well as to any agency of the federal or any state government. Freddie Mac may also provide statistical, comparative and summary information to Freddie Mac’s customers and other third parties on loan performance and other issues, provided that no persons will be given access to details concerning individual Loan Applications entered into the System by Originator, except to the extent permitted by applicable law.

6. Legal Compliance.

6.1 Freddie Mac's Representations and Warranties.

(a) Freddie Mac represents and warrants that it will comply with all applicable laws and regulations in its operation of the System.

(b) The parties acknowledge that the System may require Originator to input certain information related to each applicant, such as the individual's race, which Originator is prohibited by law from using as a basis for granting or denying credit (collectively "limited use information"). The limited use information is being collected by Freddie Mac for regulatory compliance and similar purposes. Freddie Mac represents and warrants that (i) Freddie Mac did not use limited use information to design the System in a manner prohibited by ECOA or other applicable laws, and (ii) the System will not use limited use information to discriminate against any applicant (A) on the basis of race, color, religion, national origin, sex, age (provided the applicant has the capacity to contract) or marital status, (B) because all or part of the applicant's income derives from any public assistance program, or (C) because the applicant has in good faith exercised any right under ECOA.

6.2 Originator's Representations and Warranties.

(a) Originator represents and warrants that it is licensed to conduct business in all jurisdictions where it is necessary for Originator to be licensed to comply with its obligations under the terms of this Agreement. Originator further represents and warrants that it will comply with all applicable laws and regulations in its use of the System and any output of the System.

(b) Originator represents and warrants that it, or another party acting on behalf of Originator, will provide an adverse action notice to each applicant to whom it determines not to extend credit in accordance with the requirements of ECOA. Originator further represents and warrants that Originator will rely upon its own counsel to ensure compliance with ECOA and other applicable laws.

(c) Originator also represents and warrants that all information that it has provided to Freddie Mac in the course of registering as an Originator, and upon which Freddie Mac has relied in agreeing to permit Originator to access and use the System, is true and correct.

7. Reliance on the System; Nondisclosure of Output.

Originator represents and warrants that it will not rely exclusively on the System in determining whether or not to extend credit to any applicant. Originator further represents and warrants that it will not indicate to any Applicant or Borrower that Originator has used the System in determining whether or not to extend credit to the Applicant or Borrower.

8. Assignment.

Originator may not assign any of its rights or obligations under this Agreement in any manner whatsoever without Freddie Mac's prior written consent, which will not be unreasonably withheld.

9. Term; Termination.

(a) The term of this Agreement will commence on the date first set forth above and will continue indefinitely until terminated pursuant to the provisions hereof. Each party reserves the right to terminate the term of this Agreement at any time for any reason in its sole discretion upon two (2) days' notice to the other party. In addition to the foregoing, Freddie Mac will have the right to terminate the term of this Agreement effective immediately upon notice to Originator in the event of any default by Originator under this Agreement, or any other agreement with Originator related to the System. Notwithstanding the provisions of Section 12(b) below, at the terminating party's option, notice will be deemed sufficient if made by telephone and confirmed in writing within two (2) business days, in which case notice will be deemed to have been given at the time of the telephone call.

(b) In the event Freddie Mac terminates this Agreement without cause and not in connection with a default by Originator under this Agreement or any other agreement between Freddie Mac and Originator, Originator will not be entitled to receive any compensation.

10. Access to System Output by Sellers and Mortgage Service Providers.

Originator represents that it has an established and ongoing business relationship with one or more Sellers. Freddie Mac hereby consents that Originator may permit each such Seller, or any Mortgage Service Provider, approved by Freddie Mac to have access to System output. Any such access must be effectuated in accordance with the terms of the Originator Instructions.

11. Confidential Information.

(a) The parties agree that the following information, to the extent that it or any of it is disclosed to Originator by Freddie Mac, will be deemed confidential information for purposes of this Agreement, whether or not the information is specifically marked or otherwise designated as such: (i) any specifications or implementation plans for the System, (ii) the specifications for the Interface, (iii) all information concerning Freddie Mac's business strategies and plans, (iv) all information concerning the design of the System and any components thereof, (v) all users' manuals and other System-related documentation, and (vi) the terms of this Agreement, including, without limitation, pricing and any future pricing provisions related hereto.

(b) Originator agrees that it will not disclose any confidential information to any third party. Upon the expiration or earlier termination of this Agreement, Originator will immediately return to Freddie Mac all copies of any confidential information previously delivered to Originator or otherwise in Originator's possession or control; provided that, at Freddie Mac's request, Originator will immediately destroy all such information and documentation and all copies received from Freddie Mac or otherwise in its possession or control and certify in writing that such actions have been taken. Notwithstanding the foregoing, Originator will have the right to retain a copy of any System Categorization and similar output in Originator's file with respect to the loan to which such output relates.

12. Miscellaneous.

(a) This Agreement is the complete and exclusive statement of the parties' agreement with respect to the terms of Originator's right to use the System, which supersedes and merges all prior proposals, understandings and all other agreements, oral or written, between the parties relating to such subject matter.

(b) Any notice required or permitted to be given by Freddie Mac under the terms of this Agreement, including, but not limited to, notice from Freddie Mac of Originator Instructions or of an amendment to the terms of the Agreement, may be given through the System or via electronic mail. All other notices required under this Agreement to be in writing must be printed in paper or "hard copy" form and will be deemed delivered (i) when delivered in person or by a reputable express mail carrier, or (ii) three (3) business days after deposited in the United States mail, postage prepaid, registered or certified mail, return receipt requested, in each case addressed as set forth in the preamble of this Agreement. Notices to Freddie Mac must be sent to the attention of Director, Loan Prospector Sales Team, with a copy to the Managing Associate General Counsel, Corporate Affairs, at the same address. Each party may change its address for such notice purposes, and/or the person(s) to whom such notices should be sent, by giving written notice of its new address and/or such person(s) to the other party in accordance with the provisions of this section.

(c) Freddie Mac may amend the terms of this Agreement at any time through notice to Originator setting forth the terms of such amendment. Originator's use of the System at any time after the effective date of an amendment shall constitute Originator's consent to the terms of the amendment.

(d) The failure of either party to exercise in any respect any right or remedy provided for herein will not be deemed a waiver of such right or remedy. No waiver at any time of any provision of this Agreement will be deemed a waiver of any other provision of this Agreement at that time or a waiver of that or any other provision of this Agreement at any other time.

(e) Originator recognizes that it is responsible for controlling access to the System through Originator's loan origination system, if any, and the Interface. Originator will permit Freddie Mac, from time-to-time upon reasonable notice to Originator, to audit or review Originator's controls and procedures related to access to the System. In addition, Originator recognizes that it is responsible for obtaining and maintaining connectivity to the System in accordance with instructions provided by Freddie Mac from time to time.

(f) This Agreement will be construed, and the rights and obligations of the parties hereunder determined, in accordance with the laws of the State of New York, without regard to provisions concerning conflicts of law.

(g) If any provision of this Agreement is held invalid, illegal or unenforceable, such provision will to that extent be deemed omitted from this Agreement, and the remaining provisions of the Agreement will continue to be valid and enforceable and will not be affected in any way.

(h) This Agreement is binding upon the parties hereto and their respective successors and (subject to the provisions of Section 8 above) assigns. Subject to the provisions of Section 4 hereof, the rights and remedies of the parties hereunder are cumulative and are in addition to, and not in lieu of, all rights and remedies available at law and in equity. All of the parties' rights, obligations and agreements under this Agreement (other than Originator's right to use the System) which arise prior to the expiration or termination of the term of this Agreement will survive such expiration or termination.

(i) The provisions of the exhibits hereto are hereby incorporated by reference into this Agreement. Any conflict between the provisions of such exhibits and the remainder of the Agreement will be resolved in favor of the remainder of the Agreement.

(j) Originator agrees that it will not use in any marketing, promotional or advertising materials the names "Freddie Mac" or "Loan Prospector," or any names similar thereto or derivative therefrom, or any logos associated therewith, unless it shall first have received the express written consent of Freddie Mac.

(k) Freddie Mac has entered into this Agreement pursuant to the signature authority of its Vice President thereunto duly authorized. Freddie Mac represents and warrants that said officer has complete authority to enter into this Agreement on behalf of Freddie Mac, and that Freddie Mac shall be bound by all of the terms of this Agreement upon Originator's execution of this Agreement by its officer thereunto duly authorized. Originator represents and warrants that its officer executing this Agreement has complete authority to enter into this Agreement on behalf of Originator, and that Originator shall be bound by all of the terms of this Agreement upon its execution of this Agreement.

Exhibits:

A --Glossary of Terms

Exhibit A - Glossary of Terms

As used in the Agreement, the terms listed below will have the following meaning:

1. Applicant(s) or Borrower(s): The borrower(s) or proposed borrower(s) under a Loan Application.
2. Broker: A person or entity that specializes in loan originations and that is compensated by commission for matching borrowers with lenders. A broker performs some or most of the loan processing functions, such as assisting in the completion of loan applications and ordering and obtaining credit reports, appraisals, and title reports, but does not fund loans or originate loans in its own name.
3. Correspondent: An entity that, in the ordinary course of business, sells the mortgage loans that it funds and originates in its own name to other lenders. A correspondent performs similar loan processing functions as a broker.
4. ECOA: The Equal Credit Opportunity Act.
5. Guide: Freddie Mac's Single Family Seller/Service Guide, as amended from time to time.
6. Interface: The interface between the System and Originator's loan origination system.
7. Loan Application: The loan and Applicant or Borrower information that Originator enters into the System in order to obtain a Freddie Mac purchase decision.
8. Mortgage Service Provider: An entity engaged to perform, for a Seller or Correspondent, part of the mortgage application processing, underwriting, funding or post-closing functions, but not any activities related to obtaining an application for a Wholesale Home Mortgage. The entity is typically paid on a fee basis for services performed, with the payment of fees not being contingent on mortgage approval or closing.
9. Seller: A Freddie Mac-approved Seller, as defined in the Guide.
10. Subscriber Number: The identification number provided by each credit repository to an Originator ordering credit information from the repository.
11. System: An automated underwriting system owned by Freddie Mac known as the Loan Prospector® system. The term "System" also includes the output of the System and any updates, enhancements and documentation (such as the Originator Instructions) made available to Originator for the System, together with all copies of the foregoing, whether made by Freddie Mac, Originator or a third party.
12. Originator Instructions: Instructions for use of the System, given by Freddie Mac to Originator from time to time through required training, or by notification through the System, including notification to Originator to review and follow instructions posted on Freddie Mac's Internet site.
13. Wholesale Home Mortgage: A home mortgage that a Broker, Correspondent, or Mortgage Service Provider, or entity besides a Seller (or its parent, affiliate or subsidiary) completely or partially originated, processed, underwrote, packaged, funded, or closed and subsequently sold to Freddie Mac.