



Primary Capital

## FHA SPONSORSHIP REQUEST

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

Address: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Contact Name: \_\_\_\_\_ HUD ID#: \_\_\_\_\_

Email: \_\_\_\_\_

The following documentation is attached:

- FHA Addendum
- HUD approval letter
- List of branches originating FHA loans
- HUD approval letters for branches

By signing below, company is authorizing Primary Capital to share this information with the Department of Housing and Urban Development.

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

\_\_\_\_\_  
Name Title

## ADDENDUM FOR FHA SPONSORSHIP

This Addendum for FHA Sponsorship ("Addendum") supplements, amends and is made part of the \_\_\_\_\_ Agreement ("Agreement") between Primary Capital Advisors LC ("FHA Sponsor") and \_\_\_\_\_ ("FHA Loan Correspondent").

WHEREAS, FHA Loan Correspondent wishes to originate Mortgage loan application packages for mortgage loans insured by the Department of Housing and Urban Development ("HUD") through the Direct Endorsement Program under Sections 203(b) and 234(c) of Title 24 of the Code of Federal Regulations ("Insured Mortgage Loans" or "FHA Loans"); and

WHEREAS, FHA Sponsor agrees to act as Sponsor of FHA Loan Correspondent as a Loan Correspondent for the origination and processing of applications for such Insured Mortgage Loans; and

WHEREAS, FHA Sponsor and FHA Loan Correspondent wish to define the conditions pursuant to which FHA Sponsor is willing to sponsor FHA Loan Correspondent and to make available the funds necessary to finance Insured Mortgage Loans submitted to and accepted by FHA Sponsor pursuant to this Addendum.

NOW THEREFORE, FHA Sponsor and FHA Loan Correspondent hereby agree to the following:

1. FUNDING AGREEMENT. FHA Loan Correspondent shall process and submit to FHA Sponsor applications for Insured Mortgage Loans to be underwritten by FHA Sponsor, all in accordance with the provisions specified in the Agreement. FHA Sponsor agrees to fund Insured Mortgage Loans which meet FHA Sponsor's then-current underwriting criteria and which meet all requirements for insurance under HUD's Direct Endorsement program. Approved Insured Mortgage Loans must be underwritten and closed in either FHA Sponsor's or FHA Loan Correspondent's name in accordance with Federal, State, and Local requirements. At the closing of the Insured Mortgage Loan, FHA Sponsor shall advance to the closing agent the amount necessary to fund the Insured Mortgage Loan.

2. FHA LOAN CORRESPONDENT REPRESENTATIONS AND WARRANTIES. In addition to the FHA Loan Correspondent representations and warranties in the Agreement, FHA Loan Correspondent hereby makes the following representations and warranties to FHA Sponsor. FHA Sponsor shall be deemed to have conclusively relied on the representations and warranties, regardless of any independent investigation FHA Sponsor may have made or may hereafter make:

(A) FHA Loan Correspondent has the power, authority and legal right to make, deliver and perform under this Addendum, and all of the transactions contemplated hereunder; and has taken all necessary action to authorize and execution, delivery and performance of this Addendum. The execution of this Addendum has been duly authorized and executed by FHA Loan Correspondent and is, or upon delivery will be, legal, valid and binding obligation of FHA Loan Correspondent enforceable in accordance with its terms, subject only to applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting creditor rights generally.

(B) FHA Loan Correspondent is authorized under applicable FHA regulations to originate FHA loans and has fully complied with all requirements, standards and guidelines under applicable FHA regulations as amended from time to time.

(C) FHA Loan Correspondent is authorized to act as FHA Sponsor's Loan Correspondent solely for the purpose of processing, originating and insuring FHA Loans submitted to FHA Sponsor for underwriting and funding. FHA Loan Correspondent has and will continue to comply with all of the requirements for approval by the Department of Housing and Urban Development ("HUD") as a Loan Correspondent mortgagee as set forth in 24 CFR Sections 203 (b) and 234 (c) as amended from time to time, HUD Handbook 4060.1 REV-1, as updated by applicable Mortgage Letters, and Mortgage Letter 94-47.

(D) Neither this Addendum nor any statement, report, or other document furnished or to be furnished pursuant to this Addendum or in connection with the transactions contemplated hereby contains any untrue statement of fact or omits to state a fact necessary to make the statements contained therein not misleading.

(E) To the extent that the mortgage activities contemplated in this addendum require federal, state or local licensing, registration or other approval, FHA Loan Correspondent has obtained such license, registration or approval and will maintain them in good standing at all times during the term of this Addendum.

(F) FHA Loan Correspondent has performed all loan origination functions with respect to processing applications for Insured Mortgage Loans to be underwritten by FHA Sponsor, other than those which are authorized by HUD to be performed by third parties.

(G) FHA Loan Correspondent is authorized by HUD to originate and process applications for Insured Mortgage Loans in the jurisdiction where the property securing the Insured Mortgage Loan is located.

(H) FHA Loan Correspondent shall be responsible for the submission of all paperwork and payment of any application fees, annual fees and territorial fees that are required by HUD in order to obtain and maintain FHA Loan Correspondent's status as an authorized FHA Loan Correspondent Mortgagee in all territories in which the property securing an Insured Mortgage Loan is located.

(I) FHA Sponsor 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 FHA Loan Correspondent receives from HUD the OTMIP Statement of Account, the MIC or a suspense letter with regard to the issuance of a MIC, FHA Loan Correspondent shall forward same to FHA Sponsor immediately. FHA Loan Correspondent agrees to assist FHA Sponsor in resolving any issues relating to the non-issuance or suspension of HUD insurance.

3. FHA SPONSOR REPRESENTATIONS AND WARRANTIES. FHA Sponsor is a mortgagee which holds a valid origination approval agreement with HUD, is approved to participate in the Direct Endorsement program and meets the applicable net worth requirements established by HUD.

4. QUALITY REVIEW. FHA Sponsor shall have the right to perform a quality control review of FHA Loan Correspondent's business activities related to the origination and processing of applications for Insured Mortgage Loans pursuant to this Addendum. FHA Loan Correspondent will, upon request, provide FHA Sponsor with any documentation, including but not limited to financial records and audit reports, which FHA Sponsor considers necessary to verify FHA Loan Correspondent's compliance with federal and state requirements. FHA Sponsor may, upon providing 5 days notice, conduct periodic on-site audits of FHA Loan Correspondent's business activities related to this Addendum. The audit will be conducted in compliance with normal and customary procedures and policies outlined by HUD.

5. WITHDRAWAL OF HUD APPROVAL. FHA Loan Correspondent agrees to promptly notice FHA Sponsor in the event that HUD terminates FHA Loan Correspondent as a Loan Correspondent or in the event that a loan correspondent agreement entered into between FHA Loan Correspondent and another Sponsor is terminated for any reason.

6. INDEMNIFICATION. FHA Loan Correspondent agrees to indemnify, defend and hold FHA Sponsor harmless from and against any claims, penalties, loss, cost or damage, including but not limited to, reasonable attorney's fees and expenses incurred by FHA Sponsor (or any successor or assign), arising out of FHA Loan Correspondent's failure to comply with any federal or state requirements, including but not limited to HUD/FHA requirements, for qualification and approval as a Loan Correspondent for origination and processing of applications for Insured Mortgage Loans, or arising out of FHA Loan Correspondent'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 FHA Sponsor pursuant to the Agreement.

7. TERMINATION. The termination of the Agreement shall automatically terminate this Addendum. This Addendum may, in addition, be terminated in writing at any time by either party upon 10 days written notice; provided, however, that in the event that FHA Sponsor, in its sole discretion, deems FHA Loan Correspondent to be in breach of any of the representations and warranties made herein, FHA Sponsor may immediately terminate this Addendum without prior notice to FHA Loan Correspondent. However, the termination of this Addendum shall not automatically terminate the Agreement. In the event of a termination of this Addendum, FHA Sponsor and FHA Loan Correspondent shall promptly notify HUD of such termination.

8. ASSIGNMENT. FHA Loan Correspondent may not assign this Addendum.

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

IN WITNESS WHEREOF, this Addendum has been executed this \_ day of \_\_\_\_\_, \_\_\_\_\_.

FHA Loan Correspondent

Primary Capital Advisors LC

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

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

Its: \_\_\_\_\_

Its: \_\_\_\_\_

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

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