



Cornerstone

HOME LENDING, INC.
Correspondent Lending Division

CORRESPONDENT LOAN PURCHASE AND SALE AGREEMENT

This Correspondent Loan Purchase and Sale Agreement is entered into this ___ day of _____, 2018 (“Effective Date”) by and between Cornerstone Home Lending, Inc., a Texas corporation (“CHL”) and _____, a [_____] (“Correspondent”) (each a “Party” or collectively, the “Parties”)

WITNESSETH:

WHEREAS, on the terms and subject to the conditions set forth in this Agreement, Correspondent desires to sell, transfer, and assign, and CHL desires to purchase and assume, all right, title and interest in and to certain Mortgage Loans.

NOW, THEREFORE, in consideration of the mutual promises, covenants and conditions and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and upon the terms and subject to the conditions set forth herein, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.00. Definitions. All capitalized terms used in this Agreement and not otherwise defined herein shall have the meanings set forth in the Loan Manual.

“Agency” has the meaning set forth in the Loan Manual.

“Agreement” means this Correspondent Loan Purchase and Sale Agreement including all exhibits, schedules, amendments, and supplements hereto.

“Applicable Requirements” means (i) all federal, state, and local laws, statutes, rules, regulations, and ordinances, including but not limited to, usury, truth-in-lending, real estate settlement, consumer credit, equal credit opportunity, fair housing, fair credit reporting, anti-predatory or abusive lending, or unfair and deceptive acts and practices, (ii) the applicable requirements and guidelines of any insurer, or agency, or any other governmental agency, board, commission, instrumentality or other governmental or quasi-governmental body or office; (ii) all judicial and administrative judgments, orders, stipulations, awards, writs and injunctions; and (iii); the applicable rules, regulations, guidelines, handbooks, announcements, notices, letters, directives and instructions of an Agency or an Investor, and amendments and supplements of any

of the above, as such may be amended, modified, updated, restated, or supplemented from time to time.

“Commitment” has the meaning set forth in the Loan Manual.

“Commitment Confirmation” has the meaning set forth in the Loan Manual.

“Correspondent” has the meaning set forth in the introductory paragraph of this Agreement.

“Correspondent Memo” means the updates, memorandums, information bulletins, and notices, including notices of amendments, modifications, and/or changes to the Loan Manual, Eligible Loan Programs, and certain Agency or Investor guidelines transmitted to Correspondent and/or published on the Website.

“Delivery Submission Form” means the form of the same name located under *Check Lists and Forms* on the Website.

“Effective Date” has the meaning as defined in the introductory paragraph of this Agreement.

“Eligible Loan Programs” means those Mortgage Loan products and programs published on the Website from time to time that CHL may purchase subject to Correspondent’s compliance with the Transaction Documents.

“Event of Default” means any one of the events enumerated in *Section 4.01* of this Agreement.

“Investor” means the purchaser of a Mortgage Loan from CHL other than an Agency.

“Loan Manual” means the Correspondent Loan Manual issued by CHL setting forth (i) the standards, policies, procedures, and other related information, (ii) Correspondent’s additional obligations, agreements, representations, warranties, covenants, and liabilities; and (iii) CHL’s additional obligations, agreements, rights, and remedies, each applicable to the purchase of Mortgage Loans by CHL from Correspondent. The Loan Manual may be modified in part or in whole at any time and from time to time by CHL and such Loan Manual, any exhibits or schedules thereto, and all revisions thereto, are expressly incorporated herein by this reference and made a part of this Agreement in all respects.

“Mortgage Loan” means a first lien, residential mortgage loan, together with the Servicing Rights thereto, which is subject to this Agreement.

“Purchase Advice” means the document CHL issues identifying the Purchase Price, Purchase Date, and funds due CHL related to the Mortgage Loan.

“Purchase Date” means with respect to a Mortgage Loan, the date set forth in Purchase Advice as the “scheduled wire date” on which CHL is scheduled to purchase and Correspondent is scheduled to sell the Mortgage Loan identified therein.

“Purchase Price” means the amount to be paid by CHL on the Purchase Date to the Correspondent pursuant to the Purchase Advice in exchange for the Mortgage Loan identified therein, such Purchase Price being determined based on the unpaid principal balance of the

Mortgage Loan multiple by the purchase price percentage (“Price”) as set forth on the Purchase Advice, plus any accrued interest.

“Servicing Rights” mean the rights and obligations to administer, collect the payments for principal, interest, taxes and insurance, pay taxes and insurance, remit collected payments, provide default and foreclosure services, and any other related obligations for or in connection with the Mortgage Loans, together with the right to receive any fees or amounts payable to such party under any agreements with any owner of the Mortgage Loan arising from or connected to the Mortgage Loan, and all rights, powers and privileges incident to any of the foregoing.

“Transaction Documents” mean, collectively and individually, this Agreement, the Loan Policy Manual, the Delegated Underwriting Agreement, if applicable, and as to each Mortgage Loan, the Commitment Confirmation and the Purchase Advice.

“Website” means the series of web pages maintained by CHL that may be accessed by Correspondent through the Internet at www.chlcorrespondent.com, or any additional or successor website thereto.

Section 1.02. General Interpretive Principles. For purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires: (i) references herein to a “section” shall be to the specified section(s) of this Agreement and shall include all subsections of such section(s); (ii) the words “herein,” “hereof,” “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular provisions; (iii) the term “include” or “including” shall mean without limitation by reason of enumeration; and (iv) section headings and other similar headings are not to be considered part of this Agreement, are solely for convenience of reference, and shall not affect the meaning or interpretation of this Agreement or any of its provisions.

ARTICLE II

PURCHASE AND SALE OF MORTGAGE LOANS

Section 2.01. Generally. From time to time during the term of this Agreement, Correspondent may offer to sell, and CHL may agree to purchase, all right, title, and interest in and to Mortgage Loans in accordance with the terms set forth in the Transaction Documents. If purchased, Correspondent shall deliver to CHL all documents and data relating to the Mortgage Loan as set forth in the Loan Manual at the time specified in the Loan Manual.

Section 2.02. Loan Manual. Correspondent expressly agrees to comply in all respects with the Loan Manual and any and all exhibits, schedules, amendments, modifications, or revisions thereto with regard to the sale of Mortgage Loans to CHL. CHL publishes the Loan Policy Manual on the Website. Amendments and modifications to the Loan Policy Manual shall be effective and binding on Correspondent as of the date set forth in the related Correspondent Memo. Correspondent is responsible for monitoring the Website for Correspondent Memos, Eligible Loan Programs, and other announcements or information applicable to the Correspondent Division and/or the origination and sale of Mortgage Loans to CHL through the Correspondent Division.

Section 2.03. Commitments. CHL may offer to enter into one or more Commitments with Correspondent pursuant to *Section 200* of the Loan Manual. By receiving a Commitment Confirmation from the CHL, Correspondent agrees to the terms and conditions set forth therein in addition to the Loan Manual and this Agreement.

Section 2.04. Underwriting of Mortgage Loans. All Mortgage Loans subject to purchase by CHL from Correspondent shall be underwritten in accordance with *Section 300* of the Loan Manual. Correspondent agrees to comply with *Section 300* of the Loan Manual with regard to underwriting of Mortgage Loans. Correspondent represents and warrants that Mortgage Loans purchased by CHL from Correspondent are saleable in the secondary market without penalty or discount and comply with applicable Agency and Investor guidelines.

Section 2.05. Purchase Requirements. In addition to Correspondent's obligations in this Agreement, Correspondent agrees to comply with *Section 400* of the Loan Manual with regard to certain pre-purchase obligations, including, not limited to, the submission of a complete and accurate Delivery Submission Form, a copy of which is published on the Website under "Forms."

Section 2.06. Purchase Advice. CHL will issue a Purchase Advice for those Mortgage Loan which meet the purchase criteria of CHL. Except and until CHL issues a Purchase Advice, CHL shall have no obligation to purchase any Mortgage Loan. The purchase of any Mortgage Loan is subject to Correspondent's compliance with the Transaction Documents, which representations, warranties, and covenants survive the purchase of the Mortgage Loan by CHL.

Section 2.07. Purchase Price and Payment of Purchase Price. The Purchase Price for any Mortgage Loan purchased by CHL hereunder is set forth on the applicable Purchase Advice and is remitted to Correspondent less interest due CHL and any fees and expenses due CHL as of the scheduled Purchase Date, unless the Parties agree to a different Purchase Date.

Section 2.08. Conveyance from Correspondent to CHL. Correspondent, simultaneously with CHL's payment of the Purchase Price, does hereby sell, transfer, assign, set over and convey to CHL without recourse, but subject to the terms of this Agreement, all right, title and interest of the Correspondent in and to the Mortgage Loan identified in the Purchase Advice, together with the related Mortgage Files and all rights and obligations arising under the documents contained therein.

Section 2.09. Post-Purchase Conveyance of Mortgage Loans. Correspondent agrees to comply with *Section 500* of the Loan Manual with regard to post-purchase conveyance of Mortgage Loans from Correspondent to CHL, as well as any Correspondent Memos or written instructions from CHL.

ARTICLE III

REPRESENTATIONS, WARRANTIES, AND COVENANTS

As an inducement to CHL to enter into this Agreement and to purchase the Mortgage Loans, Correspondent makes the following representations, warranties, and covenants.

Section 3.01. Representations and Warranties of Correspondent. In addition to any representations and warranties in this Agreement or as set forth in any Transaction Document, Correspondent makes the representations and warranties in *Section 601* of the Loan Manual (it being understood that, unless otherwise expressly provided in *Section 601* of the Loan Manual, each such representation and warranty is made by Correspondent as of Effective Date, and the applicable Purchase Date and all such representations and warranties shall survive the Effective Date and each Purchase Date).

Section 3.02. Representations and Warranties of Correspondent Regarding Mortgage Loans. In addition to any representations and warranties set forth in any Transaction Document, as to each Mortgage Loan, Correspondent makes the representations and warranties in *Section 602* of the Loan Manual (it being understood that, unless otherwise expressly provided in *Section 602* of the Loan Manual, each such representation and warranty is made by Correspondent as of the applicable Purchase Date and all such representations and warranties shall survive each Purchase Date).

Section 3.03. Covenants of Correspondent. In addition to any covenants in this Agreement or as set forth in any Transaction Document, Correspondent makes the covenants in *Section 603* of the Loan Manual (it being understood that, unless otherwise expressly provided in *Section 603* of the Loan Policy Manual, each such covenant is made by Correspondent as of the applicable Purchase Date).

ARTICLE IV

DEFAULT; REMEDIES

Section 4.01. Events of Default. One or more of the following shall constitute Events of Default by the Correspondent:

(a) a breach of any representation or warranty by Correspondent or failure by the Correspondent to duly observe or perform, in any material respect, any covenants, obligations, or agreements of the Correspondent as set forth in this Agreement or any Transaction Document, which failure continues unremedied for a period of fifteen (15) days after the date on which written notice of such breach or failure shall have been given to the Correspondent by CHL;

(b) failure to comply with the Correspondent eligibility qualifications set forth in *Section 100* of the Loan Policy Manual;

(c) failure to repurchase, after the expiration of any applicable cure period, a Mortgage Loan within fifteen (15) days of receipt of demand from CHL for such repurchase pursuant to the terms of this Agreement and the Loan Manual;

(d) failure to timely remit the funds due CHL on an Early Payoff Mortgage Loan pursuant to *Section 803* of the Loan Manual;

(e) issuance of a decree or order of a court or agency or supervisory authority having jurisdiction for the appointment of a trustee, examiner, conservator, receiver or liquidator in any insolvency, bankruptcy, readjustment of debt, marshalling of assets and liabilities or similar proceedings, or for the winding-up or liquidation of its affairs, shall have been entered against the Correspondent and such decree or order shall have remained in force, undischarged or unstayed for a period of sixty (60) days;

(f) the Correspondent shall have consented to the appointment of a trustee, examiner, conservator, receiver or liquidator in any insolvency, bankruptcy, readjustment of debt, marshalling of assets and liabilities or similar proceedings of or relating to the Correspondent or relating to all or substantially all of the Correspondent's property; or

(g) the Correspondent shall have admitted in writing its inability to pay its debts as they become due, filed a petition to take advantage of any applicable insolvency or reorganization statute, made an assignment for the benefit of its creditors, or voluntarily suspended payment of its obligations;

Section 4.02. Enforcement. In each and every such case, so long as an Event of Default shall not have been timely remedied, CHL, in its sole and absolute discretion, by notice in writing to the Correspondent, may, in addition to whatever rights CHL may have at law or equity, including recovery of damages, injunctive relief, and/or specific performance, suspend or terminate all the rights and obligations of the Correspondent under this Agreement and/or any Transaction Document. Correspondent shall notify CHL in writing promptly upon the occurrence of any Event of Default or the occurrence of any event which, with the passage of time or notice or both, would constitute an Event of Default.

Section 4.03. Indemnification of CHL. In addition to any indemnification obligation of Correspondent in the Loan Policy Manual or other Transaction Documents, at law or in equity, Correspondent shall indemnify and hold CHL harmless from, and will reimburse CHL for, any and all Losses incurred by CHL to the extent that such Losses arise out of, relate to, or result from:

- (a) the inaccuracy of any representation or warranty made by Correspondent in this Agreement;
- (b) the failure by Correspondent to perform or comply with any term or provision of this Agreement;
- (c) any inadequate, inaccurate or improper acts or omissions related to the origination or servicing of the Mortgage Loans, and any failure to comply with all Applicable Requirements;

(d) any claim pending as of the applicable Purchase Date, or arising out of events occurring in whole or in part before the applicable Purchase Date, in connection with each Mortgage Loan purchase hereunder; or

(e) any missing, incomplete, or otherwise defective documents that are required to be delivered to CHL.

Section 4.04. Additional Remedies. In addition to any rights or remedies provided to CHL in this Agreement, in the Event of Default by Correspondent under this Agreement, Correspondent will be subject to all remedies at law or in equity, including but not limited to, those remedies set forth in *Section 800* of the Loan Policy Manual.

Section 4.05. Waiver of Defaults. CHL may waive any Event of Default by Correspondent in the performance of its obligations hereunder and its consequences. No such waiver shall extend to any subsequent or other default or impair any right consequent thereon except to the extent expressly and specifically so waived.

Section 4.06. No Remedy Exclusive. No remedy under this Agreement or any Transaction Document is intended to be exclusive of any other available remedy, but each remedy shall be cumulative and shall be in addition to any remedies given under this Agreement, in any Transaction Document, under any other agreement of the Parties, or existing at law or in equity.

ARTICLE V

TERM AND TERMINATION

Section 5.01. Term. This Agreement shall commence on the Effective Date and be continuing and ongoing until suspended or terminated in accordance with *Section 800* of the Loan Policy Manual.

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Section 5.02. Delegated Underwriting. If Correspondent has executed a Delegated Underwriting Agreement with CHL, termination of this Agreement shall automatically terminate such Delegated Underwriting Agreement. Notwithstanding, CHL's termination of a Delegated Underwriting Agreement with Correspondent will not automatically terminate this Agreement.

ARTICLE VI

CONFIDENTIALITY

Section 6.01. Confidentiality Generally. The Parties agree to comply with *Section 700* of the Loan Policy Manual related to Confidential Information.

Section 6.02. Confidentiality of Transaction Documents. As to the Correspondent, the Transaction Documents are hereby incorporated in the definition of Confidential Information.

Correspondent recognizes that, in connection with the Transaction Documents, it may receive Confidential Information. Except as required by Applicable Requirements, Correspondent agrees to keep all Confidential Information strictly confidential, and to use all such information solely in order to effectuate the purpose of the Agreement; provided, that the Correspondent may provide Confidential Information to its employees, agents, and affiliates who have a need to know such information in order to effectuate origination, sale, and purchase of Mortgage Loans contemplated in this Agreement and such employees, agents and affiliates are informed of the confidential nature of such information and agree to maintain its confidentiality.

ARTICLE VII

MISCELLANEOUS

Section 7.01. Governing Law and Venue. This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of Texas without reference to the choice of law principles thereof. Should any dispute arise under or related to this Agreement, the Parties agree that the venue shall be Harris County, Texas with the case being brought in any State or Federal court located in Houston, Texas.

Section 7.02. Entire Agreement; Amendments. This Agreement and any exhibits and schedules hereto together with the Delegated Underwriting Agreement, if applicable, the Loan Policy Manual, and any Commitment Confirmations executed in connection herewith (“Transaction Agreements constitutes the entire agreement between the Parties with respect to the subject matter hereof. No amendments, modifications, or supplements of this Agreement shall be binding unless executed in writing by the Parties hereto, except that CHL reserves the right to amend the Loan Policy Manual from time to time in its sole and absolute discretion. All updates, amendments and supplements to the Loan Policy Manual and the effective date of such updates, amendments and supplements shall be set forth on the Website or as otherwise set forth in this Agreement or the Loan Policy Manual. Correspondent shall be responsible for monitoring the Website for updates, amendments, and supplements and shall be responsible for compliance with such changes, whether or not separately notified by CHL. In the event of any conflict between the provisions of this Agreement and the Loan Policy Manual, the provisions of the Loan Policy Manual shall control. In the event of any conflict between the provisions of this Agreement and the Purchase Advice, the Purchase Advice shall control.

Section 7.03. Counterparts. This Agreement may be executed in any number of counterparts, which together shall constitute full and proper execution hereof. The Parties agree

that this Agreement and signature pages may be transmitted between them by facsimile or electronic images and that faxed or electronically imaged signatures shall constitute original signatures and are binding upon the applicable Party.

Section 7.04. Waivers. No term or provision of this Agreement may be waived or modified unless such waiver or modification is in writing and signed by the Party against whom such waiver or modification is sought to be enforced. Any forbearance by a Party in exercising any right or remedy under this Agreement or otherwise afforded by applicable law shall not be a

waiver or preclude the exercise of that or any other right or remedy. The waiver by either Party hereto of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any other or subsequent breach.

Section 7.05. Notices. Except as otherwise expressly permitted by this Agreement, all notices and statements to be given under this Agreement are to be in writing, delivered by (i) in person, (ii) overnight mail or courier service, or (iii) first class United States mail, postage prepaid and registered or certified, with return receipt requested, to the address set forth below the applicable Parties' signature (which addresses may be revised by written notice to the other Party per this *Section 7.05*).

Section 7.06. Severability. In the case any provision in this Agreement shall be found by a court of competent jurisdiction to be invalid, illegal or unenforceable, this Agreement is reformed, and such provision or provisions shall be construed and enforced to the fullest extent determined to be valid, legal or enforceable, and the validity, legality and enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired thereby.

Section 7.07. Successors and Assigns. This Agreement shall bind and inure to the benefit of and be enforceable by Correspondent and CHL and the respective permitted successors and assigns of Correspondent and the successors and assigns of CHL. This Agreement shall not be assigned, pledged or hypothecated by Correspondent to a third party without the prior written consent of CHL, which consent may be withheld by CHL in its sole discretion. This Agreement may be assigned, pledged or hypothecated by CHL, in whole or in part, before or after any Purchase Date, without the prior consent of Correspondent.

Section 7.08 Relationship of Parties. The relationship between the Parties is contractual, and Correspondent is not, and shall not represent to third Persons that it is acting as, an agent for and on behalf of CHL. This Agreement shall be nonexclusive. Each of Correspondent and CHL is free to make Mortgage Loans for its own account or for sale in the secondary market, and each may sell Mortgage Loans to or purchase Mortgage Loans from other lenders or loan originators at any time.

Section 7.09. No Third Party Beneficiaries. Except as expressly provided herein, nothing in this Agreement is intended to confer any right, remedy, obligation or liability upon any Person other than the Parties hereto and their respective successors and permitted assigns.

Section 7.10. Restrictions on Publicity. Without the prior written consent of CHL, Correspondent shall not use the corporate names, logos, brand names, trademarks, trade names or service marks of CHL or any of its affiliates or otherwise identify CHL and its affiliates in Correspondent's advertising, marketing, or promotional material, publicity releases, communications with the press, customer listings, testimonials, websites, and other material distributed by or on behalf of Correspondent or in any proposals to prospective borrowers, brokers, clients, or appraisers.

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Section 7.11. No Remedy Exclusive. No remedy under this Agreement is intended to be exclusive of any other available remedy, but each remedy shall be cumulative and shall be in addition to any remedies given under this Agreement, under any other agreement, or existing at law or in equity.

Section 7.12. No Broker's Fees. Each Party hereto represents and warrants to the others that it has made no agreement to pay any agent, finder, or broker or any other representative, any fee or commission in the nature of a finder's or broker's fee arising out of or in connection with the subject matter of this Agreement.

Section 7.13. Further Assurances. Each Party shall, at any time and from time to time, promptly, upon the reasonable request of the other Party or its representatives, execute, acknowledge, deliver or perform all such further acts, deeds, assignments, transfers, conveyances, and assurances as may be required for the better vesting and confining to CHL and its successors and assigns of title to the Eligible Mortgage Loans purchased hereunder.

Section 7.14. Audits. CHL and their agents shall have the right to examine and audit the Correspondent's mortgage loan origination operations, including the books, records or other information of the Correspondent, whether held by the Correspondent or by another on its behalf, with respect to or concerning this Agreement or the Mortgage Loans, during normal business hours or as otherwise acceptable to the Correspondent, upon reasonable advance notice.

Section 7.15. Attorney's Fees; Costs. If it is determined in a judicial proceeding or arbitration that a Party has breached or failed to fulfill or perform any covenants or obligations under this Agreement, then the prevailing Party shall be entitled to recover from the non-prevailing Party on demand reasonable attorney fees and costs incurred in connection with such action.

Section 7.16. Survival. The Correspondent agrees that the representations, warranties, and agreements made by the Correspondent herein, in any Transaction Document, and in any certificate or other instrument delivered pursuant hereto shall be deemed to be relied upon by the CHL notwithstanding any investigation heretofore or hereafter made by the CHL or on the CHL's behalf, and that the representations, warranties, and agreements made by the Correspondent herein, in any Transaction Document, or in any such certificate or other instrument as well as the CHL's remedies with respect to such representations, warranties, and agreements shall survive the delivery and payment for the Mortgage Loans, or the suspension of Correspondent, or the termination of this Agreement or any Transaction Document.

Section 7.17 Authority. Each of the Parties represents and warrants that no consent, approval, authorization, or order of, and notice to or filing with any court, governmental authority, person or entity is required for execution, delivery and performance of this Agreement. Any Party to this Agreement which is a corporation or other entity or organization warrants and represents that the individual executing this Agreement on its behalf is duly authorized and empowered to do so. Furthermore, the individual executing this Agreement on behalf of a Party which is a corporation, or other entity or organization warrants that he or she is duly authorized and empowered to do so.

(Signatures to follow)

IN WITNESS WHEREOF, each of the undersigned Parties has caused this Correspondent Loan Purchase Agreement to be duly executed by a duly authorized representative, all as of the date first written above.

_____ CORNERSTONE HOME LENDING, INC.

(Correspondent) (CHL)

By: _____ By: _____

Name: _____ Gregory W. Jackson

Title: _____ President – Financial Services Division

Address: _____ Address: 1177 West Loop South, Suite 200

City, State, Zip _____ City, State, Zip: Houston, Texas 77027

E-Mail: _____ E-Mail: _____

With a copy to:

Cornerstone Home Lending, Inc.

177 West Loop South, Suite 200 Houston, Texas 77027

Attn: General Counsel