

## DELEGATED UNDERWRITING AGREEMENT

This Agreement is entered into effective this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, between \_\_\_\_\_ (“Correspondent”) and Cornerstone Home Lending, Inc., a Texas corporation, (hereinafter “CHL”).

Whereas, Correspondent and CHL are engaged in a correspondent loan relationship whereby CHL purchases certain loans originated by Correspondent pursuant to that certain correspondent loan purchase and sale agreement between the parties dated \_\_\_\_\_, 20\_\_ (the “Correspondent Loan Purchase and Sale Agreement”); and

Whereas, CHL agrees to the underwriting of certain loans by Correspondent, but only upon the terms and conditions as hereinafter set forth.

Now, therefore, for and in consideration of the mutual undertakings of the parties and other valuable consideration, the receipt and adequacy of which are hereby acknowledged, Correspondent and CHL agree as follows:

### 1. Delegated Status

- a. \_\_\_\_ CHL agrees to allow Correspondent to underwrite Federal National Mortgage Association (“FNMA”), Federal Home Loan Mortgage Corporation (“FHLMC”), Federal Housing Administration (“FHA”), and Veteran’s Administration (“VA”) loans, as applicable, to be purchased by CHL pursuant to the CHL Correspondent Loan Purchase and Sale Agreement, and Correspondent agrees to underwrite such loans subject to the terms and conditions set forth herein and with the CHL Correspondent Loan Policy Manual. Correspondent shall underwrite these loans using only standard agency underwriting guidelines for loans that will be included in FNMA, FHLMC and GNMA pools and using the CHL overlays in the CHL Correspondent Loan Policy Manual, unless prior written approval by CHL Underwriting is obtained.
- b. \_\_\_\_ CHL agrees to allow Correspondent to underwrite FNMA, FHLMC, and VA loans as applicable, to be purchased by CHL pursuant to the CHL Correspondent Loan Purchase and Sale Agreement, and Correspondent agrees to underwrite such loans subject to the terms and conditions set forth herein. Correspondent shall underwrite these loans using only standard agency underwriting guidelines for loans that will be included in FNMA, FHLMC and GNMA pools and using the CHL overlays in the CHL Correspondent Loan Policy Manual, unless prior written approval by CHL Underwriting is obtained. **CHL will sponsor Correspondent on all FHA loans.**
- c. \_\_\_\_ CHL agrees to allow Correspondent to underwrite FNMA, FHLMC, and FHA loans as applicable, to be purchased by CHL pursuant to the CHL Correspondent Loan Purchase and Sale Agreement, and Correspondent agrees to underwrite such loans subject to the terms and conditions set forth herein. Correspondent shall underwrite these loans using only standard agency underwriting guidelines for loans that will be included in FNMA, FHLMC and GNMA pools and using the CHL overlays in the CHL Correspondent Loan Policy Manual, unless prior written approval by CHL Underwriting is obtained. **CHL will sponsor Correspondent on all VA loans.**
- d. \_\_\_\_ CHL agrees to allow Correspondent to underwrite FNMA and FHLMC loans as applicable, to be purchased by CHL pursuant to the CHL Correspondent Loan Purchase and Sale Agreement, and Correspondent agrees to underwrite such loans subject to the terms and conditions set forth herein. Correspondent shall underwrite these loans using only standard agency underwriting guidelines for loans that will be included in FNMA, FHLMC and GNMA pools and using the CHL overlays in the CHL Correspondent Loan Policy Manual, unless prior written approval by CHL Underwriting is obtained. **CHL will sponsor Correspondent on all FHA and VA loans.**
- e. \_\_\_\_ CHL agrees to allow Correspondent to underwrite Rural Development (“RD”) loans as applicable, to be purchased by CHL pursuant to the CHL Correspondent Loan Purchase and Sale Agreement, and Correspondent agrees to underwrite such loans subject to the terms and conditions set forth herein. Correspondent shall underwrite these loans using only RD guidelines, standard agency underwriting guidelines for loans that will be included in FNMA, FHLMC, and GNMA pools, and the CHL overlays in the CHL Correspondent Loan Policy Manual, unless prior written approval by CHL Underwriting is obtained.

Unless specifically identified as a loan sponsored by CHL in this section 1, the processing and underwriting of each loan must be performed by Correspondent. The underwriting may be performed by underwriters employed by or contracted by the Correspondent. All such contractors of Correspondent must be pre-approved by CHL pursuant to Section 305.00 of the Loan Policy Manual.

2. CHL requires and Correspondent agrees to pre-approve appraisers in conformance with FIRREA and HVCC rules and regulations in lieu of the appraiser approval process of CHL. CHL shall have the sole option to refuse any appraiser that is found by CHL, in its sole discretion, to be in violation of FIRREA or HVCC.
3. Any conditions to be satisfied prior to the loan closing must be itemized, and CHL must receive, prior to loan purchase, satisfactory evidence that the conditions have been satisfied. The FNMA form 1008 or alternative approval form must be signed and dated by the Correspondent's approved underwriter.
4. For conventional loans, Correspondent will provide evidence that the proper amount of Private Mortgage Insurance Coverage has been obtained in accordance with the specific guidelines of Section 602.04 A of the Correspondent Loan Policy Manual.
5. Upon demand from CHL, Correspondent shall repurchase any loan purchased hereunder by CHL that CHL may repurchase from any investor due to underwriting or processing deficiencies. Correspondent further agrees to indemnify CHL for all of its cost incurred in defending against all requests from any investor for repurchase by CHL of a Mortgage Loan which Correspondent has underwritten using delegated underwriting authority. However, the decision as to whether to repurchase the loan from its investor and to require the repurchase from Correspondent shall be a decision made in the sole discretion of CHL. Should any processing or underwriting deficiencies be discovered by CHL, CHL at its sole option may require repurchase of loans from Correspondent that exhibit such deficiencies, whether or not such loans have been sold to or repurchased from an investor.
6. Correspondent shall be solely responsible for staying current with, and complying with, all applicable investor underwriting requirements, and all additional requirements as contained in CHL overlays.
7. CHL shall have the right to review the qualifications of each individual underwriter employed by Correspondent prior to purchasing any loans approved by that underwriter.
8. CHL shall have the right to review and approve or disapprove, at any time, the quality control program and procedures of Correspondent, and to perform an on-site review as a condition for purchasing any loans underwritten by Correspondent. Should this review reveal any deficiencies in the programs or procedures of Correspondent then CHL may suspend the delegation of underwriting authority granted under this Agreement.
9. CHL may monitor the Correspondent's performance of and adherence to this Agreement. A review of Correspondent's performance will be conducted by CHL annually, or more often, as determined solely by CHL. Performance evaluations will include, but not be limited to, an analysis of responses to repurchase requests, of underwriting and quality control findings, and of Correspondent's financial strength.
10. This Agreement shall be deemed to supplement and, to the extent inconsistent with, to modify the Correspondent Loan Purchase and Sale Agreement. The Correspondent Loan Purchase and Sale Agreement shall remain in full force and effect as supplemented and modified hereby.
11. The termination of the Correspondent Loan Purchase and Sale Agreement shall automatically terminate this Agreement, effective as of the date of termination of the Correspondent Loan Purchase and Sale Agreement.
12. This Agreement may be terminated at any time by either Correspondent or CHL. All loans in process that have been properly underwritten pursuant to this Agreement and that have been locked with CHL, at the time of such termination, shall be purchased by CHL as if this Agreement were in full force and effect. The rights of the parties with respect to this Agreement shall otherwise be governed by the Correspondent Loan Purchase and Sale Agreement and the terms and conditions thereof are incorporated herein by reference.
13. Should any dispute arise under or related to this Agreement, the parties agree should litigation be necessary for the resolution, that the venue shall be Harris County, Texas with the case being brought in any State or Federal Court located in Houston, Texas. The substantive law that shall be applied shall be the law of the State of Texas and should Cornerstone be the prevailing party in the litigation, it shall be awarded its costs including attorney fees, but such fees and costs shall not be awarded to the Correspondent, whether or not it prevails.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed as of this day and year first above written.

CORRESPONDENT \_\_\_\_\_

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

Title: \_\_\_\_\_

ACCEPTED AND AGREED UPON FOR CORNERSTONE HOME LENDING, INC.

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

Title: \_\_\_\_\_