

Become a CML Branch Office

Pay only \$1250 flat fee per month and you keep 100% of all commissions. Become part of an established mortgage lender that protects your branch by only hiring branch managers with the experience and talents to help grow Creative Mortgage Lending into the next industry leader.

Lend like a bank with our CML loan programs. We have the right team of underwriters to get the deals closed. Conventional, FHA and VA loans are all closed without having to disclose the yield spread!

You run your own business, therefore we will set up your own CML bank account to manage your money and you will control your own payroll. Get paid on your loan the day CML gets paid on the loan.

Please contact:

**Florida, North Carolina, South Carolina
Maryland**

Tim Hose – (904) 525-9383
those@cmldirect.com

**Michigan, Indiana, Kentucky
Tennessee, Missouri**

Jeff Becker – (248) 250-3351
jbecker@cmldirect.com

Corporate Office:

**700 E. Big Beaver
Troy, MI 48083
P (248) 247-2400
F (248) 247-2401**

Frequently Asked Questions

Who hires loan officers and determines compensation?

You do. Every branch manager hires and determines compensation for their commission based loan officers and commission based processors. You send the application package along with a \$50 background check fee to our corporate office. The LO and/or processor must be cleared by CML management before any loans are closed in their name.

How long does it take to get approved?

We will do our investigative work promptly upon receipt of your application. It should take approximately 5 days to get approved.

Would I have a capital contribution?

The fees you must pay up front are \$2050, which include the \$1000 reserve account fee, \$100 bank account set fee, investigative fee of \$150, State branch fee \$500 (annual fee) and HUD branch fee \$300 (set up).

How do I get paid?

Your account gets paid the same day CML gets funding from loan closing.

Are there any territories given to each branch?

You will have the ability to originate in all of the states that CML does business in. Some states require individual licenses to do business. Because you are employed with a Lender, not a Broker, you will be able to originate in most states without having an individual license. HUD requires that the originating office only covers certain states. A fee may apply if your office does not cover the HUD territory for your office.

Can we do our own advertising?

Yes, however all material must be approved by CML management and must comply with all federal, state and local laws and you are responsible for all advertising expenses and must be pre-paid. ABSOLUTELY NO FAX OR BLAST FAX ADVERTISING OF ANY KIND IS PERMITTED.

Do you offer any company benefits?

Yes, we will offer our employees an individual medical and dental plan with Blue Cross Blue Shield.

Can I work out of my home?

Yes, as long as your state allows it.

Are there any quotas we must meet every month?

No, but you will be responsible for paying the mandatory monthly branch fees.

Who is responsible for office space, computers and/or equipment?

Every Branch Manager is responsible for their own office and all its equipment and furnishings.

Can I or my employees be 1099?

No, all employees must be W2. You may outsource your processing, which is a third party fee that can be paid on the HUD-1, before or after closing.

CML does not support activities that are not in compliance with the requirements of HUD or state law regarding branch arrangements



Dear Branch Manager:

Thank you for your interest in conducting business with CML. Please review all the documents provided with your welcome package. Below is a copy of the checklist. Our goal is to provide the best support available to make you successful, while complying with all state and federal guidelines. Please make sure each application is filled in completely, signed, (initial where necessary) and returned to our corporate office as soon as possible. Once we receive the package along with your check your account will be reviewed for approval.

Welcome Package Checklist:

1. Branch Initiation Fee Agreement
2. Branch Manager Agreement
3. Employment Application including 3 mortgage related references
4. Release Authorization
5. Schedule of Fees Agreement
6. No Fraud Policy
7. Agreement to return files
8. Office Lease Contract
9. Non Disclosure
10. Include copy of Driver's license and Social Security card

Please send the package overnight to:

CML Direct
Attn: Branch Set Up
700 E. Big Beaver Road, Suite F
Troy, MI 48083

CML Direct looks forward to a long productive business relationship with you. Please contact our office if you have any questions about any of the forms. Our team will be ready to assist you.

Respectfully,

John Sanger, President/CEO



Branch Initiation Fees for New Branch

Please review the fees associated with the opening of your new account. Once you have reviewed the information, sign and return it with the rest of your package. Include your check made out to CML Direct.

1. Bank Fee of \$100 to open the Branch Account.
2. Investigative Fee of \$150 (fee is non refundable).
3. Branch License Fee of \$500
4. \$300 HUD Fee – Branch registration
5. \$1000 Reserve Account Fee to establish reserve account

I, _____, have read the foregoing and agree to the Branch Initiation Fees totaling \$2050.

Branch Manager's Signature _____

Branch Manager's Name _____

Date Signed _____



I, Branch Manager, understand and agree that I or my employees will not participate in, either with lead source companies or on my own, blast faxing for advertising or any other reason. I understand that there is a law (the Telecommunications Consumer Protection Act of 1991) whereby I can be sued for sending any and all unwanted faxes. Sending such faxes will be grounds for immediate termination.

Signature, Branch Manager

Date



BRANCH MANAGER EMPLOYMENT AGREEMENT

THIS AGREEMENT (this "Contract") has been executed as of the ____ day of _____, 20__ by and between CML Direct, d/b/a Creative Mortgage Lending ("CML or CML Direct"), and _____ (the "Branch Manager").

WHEREAS, CML is a licensed originator of residential mortgage loans and is located at 700 E. Big Beaver Road, Suite F, Troy, MI 48083, Phone: (248) 247-2400, Fax: (248) 247-2401, (the "Corporate Office").

WHEREAS, Branch Manager desires employment with CML in order to originate, process and close mortgages through and in the name of CML.

WHEREAS, Branch Manager shall be employed by CML Direct at the branch office located at _____ (the "Branch Location").

NOW THEREFORE, in consideration of the foregoing and of the mutual agreements and covenants contained in this Contract, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties to this Contract hereby agree as follows:

1. Authorization to Originate Loans

CML Direct hereby grants Branch Manager the authorization to originate, process and close residential mortgage loans through and in the name of CML Direct. Branch Manager acknowledges that such authorization shall be non-exclusive and Manager agrees not to originate, process or close any loan for any state in which the Branch Location is not approved. If required by the state of the Branch Location, Branch Manager shall keep his/her broker's license current and in good standing. Branch Manager further agrees not to originate, process or close any loan until all proper licenses are obtained.

Notwithstanding anything in this Contract to the contrary, CML Direct shall be responsible and have final authority for all Branch Location activities. Liability for all acts and omissions of Branch Manager arising out of the performance of any activities licensed or licensable under the Regulatory Lending Laws (hereinafter defined) is fully and explicitly imputed to and assumed by CML Direct.

2. Branch Manager's Employment Duties and Obligations.

Branch Manager shall be responsible for the following duties and obligations:

A. Branch Manager shall ensure that Branch Manager and any Branch Location employees abide by all applicable laws and regulations concerning the origination, processing, funding and closing of residential mortgage loans, including, without limitation, any applicable laws and regulations of the following entities: (1) state, (2) county, (3) Federal, (4) state and United States Department of Labor, (5) any licensing agency, (6) Fannie Mae (7) Freddie Mac (8) Veterans Administration, (9) Federal Housing Administration, (10) Rural Development and (11) RESPA (collectively, the "Regulatory Lending Laws"). Branch Manager acknowledges and understands the Regulatory Lending Laws and will proceed with necessary training to keep Branch Manager and any Branch Location employees updated with any revisions and changes to the Regulatory Lending Laws.

B. Branch Manager shall control and manage the day to day operations within the Branch Location.

C. Branch Manager shall hire, manage and arrange payroll for all Branch Location commission based employees.

D. Branch Manager shall compile and forward a monthly loan log detailing all loans closed within a given month (the "Loan Log") to the Corporate Office. The Loan Log shall be in such detail and specificity as is acceptable to CML Direct. The Loan Log must be received by the Corporate Office no later than the 15th day of the month following the applicable reporting period. The Branch Location shall be assessed a \$100.00 late fee for any Loan Log received by the Corporate Office after the 15th day of the month. Such late fee shall be deducted from the Branch Account.

E. Branch Manager shall compile and send all files for loans closed within a given month (the "Loan Files") to the Corporate Office no later than the 15th day of the following month. The Branch Location shall be assessed a \$100.00 late fee for any Loan Files received by the Corporate Office after the 15th day of the month. Such late fee shall be deducted from the Branch Account.

F. Branch Manager shall perform all obligations in a professional and timely manner, honoring all laws, regulations, guidelines and rules as may be required by the Regulatory Lending Laws, any governmental entity or regulatory agency. Branch Manager shall abide by all anti-discrimination laws or regulations.

G. Branch Manager shall conduct business only with CML Direct approved vendors.

H. Branch Manager acknowledges and shall insure all Branch Location employees, including Branch Manager, shall comply with the following CML Direct compliance guidelines:

1. All Loan Files shall be maintained as specified by the compliance department of CML Direct (the "Compliance Department") and shall be forwarded to the Corporate Office in the stacking order designated by CML Direct. Any Loan Files not properly stacked will be returned at the expense of the Branch Location, such expense to be deducted from the Branch Account.

2. All Loan Files submitted to CML Direct shall set forth on the front of the file folder, the borrower's name, type of loan (e.g. FHA, VA, conventional), and loan officer's name.

3. To insure compliance with Regulatory Lending Laws, all loans originated by the Branch Location for borrowers outside of the state in which the Branch Location is situated shall be documented with the Compliance Department in such specificity as CML Direct may require. Any out of state loans not documented with the Compliance Department shall result in a \$500.00 fine to be deducted from the Branch Account on the first occurrence and termination of this Contract and Branch Manager's employment on the

second occurrence. Such penalties shall be implemented immediately.

4. All Loan Files submitted shall have a copy of the Home Mortgage Disclosure Act ("HDMA") report, denied and closed, along with all other proper disclosures as mandated by this Contract and CML Direct from time to time.

5. All advertising, mail outs, telemarketing or internet web sites shall be approved in writing by CML Management. **ABSOLUTELY NO BLAST FAX ADVERTISING BY BRANCH OR LEAD SOURCE COMPANY.**

6. Each Branch Location employee shall complete and sign an employment application, W-4 Form and I-9 Form (collectively, the "Employment Forms"). Each Branch Location employee shall read and sign the CML Direct No Fraud Policy and CML Direct Authorization and Release form (collectively, the "Disclosures"). Branch Manager shall provide a copy to the Corporate Office of each Branch Location employee's driver license and Social Security card (collectively, the "Employment Documents"). Branch Manager shall mail originals of the Employment Forms and Disclosures and copies of the Employment Documents for each Branch Location employee to the Corporate Office prior to that Branch Location employee processing, funding and closing any loan.

3. Branch Manager's Covenants

Branch Manager agrees to abide by all of the following covenants in the performance of any of its duties and obligations in connection with this Contract:

A. Branch Manager shall not operate the Branch Location as a separate entity and understands and agrees that the Branch Location is not a separate entity apart from CML Direct but rather is wholly owned by CML Direct.

B. Branch Manager shall not obligate the Corporate office for any fees or expenses that the Branch Location may incur without the express written permission of CML Direct.

C. Branch Manager shall not negotiate or enter into any agreement with any vendor, credit reporting agency or any other agency or service provider which requires CML Direct responsibility of payment without the express written permission of CML Direct. This includes but is not limited to obligating CML Direct to any office lease.

D. **Branch Manager shall not use telecopier or facsimile transmissions for any advertising or solicitation purposes.**

E. Branch Manager shall not assist any other licensee, exempt entity or entity that should be licensed in the performance of any activity regulated by the Regulatory Lending Laws.

F. Branch Manager shall not set himself or herself out as anything other than Branch Manager when corresponding with any third party, including, without limitation, any vendors. Branch Manager shall not refer to himself or herself as President, Owner or any other designation suggesting that Branch Manager is anything other than an employee of CML Direct.

G. Branch Manager shall not maintain a separate bank account other than the Branch Account for the Branch Location.

H. Branch Manager shall not engage in any type of outside employment within the mortgage lending, real estate or other related field.

I. Branch Manager shall not assist any entity other than CML Direct in activities regulated by the Regulatory Lending Laws.

J. Branch Manager shall not be compensated by any entity other than CML Direct for the performance of activities regulated by the Regulatory Lending Laws.

K. Branch Manager agrees to complete all applicable continuing education requirements within the state of the Branch Location. A copy of the applicable certificate of completion is to be faxed to the Corporate Office.

4. Branch Manager Acknowledgements and Agreements

A. Branch Manager acknowledges and agrees that not submitting the Loan Logs and Loan Files as directed in this Contract, shall result in a fine pursuant to Sections 2(d) and 2(e) of this Contract.

B. Branch Manager acknowledges and agrees that CML Direct shall have the right to pay any Expenses (hereinafter defined) incurred by the Branch Location and owed to vendors, investors, CML Direct or any other party or entity from funds in the Branch Account or any other income otherwise earned or produced by the Branch Location.

C. Branch Manager acknowledges and agrees that "Expenses" shall include, without limitation, the following Branch Location fees, fines and charges: Monthly Operations Fee of \$1,250.00 payable to CML Direct on the 1st day of each month (a \$100.00 fee shall be assessed for any Monthly Operations Fee received after the 5th day of the month and suspension of branch after 6th day. A \$500 reactivation fee will be charged if CML management agrees to reinstate branch), HUD Fee of \$300.00 payable to CML Direct, Investigative Fee of \$150.00 payable to CML Direct upon acceptance of this Contract, annual Branch License Fee of \$500, Bank Fee of \$100.00 payable to CML Direct, Reserve Account Fee of \$1,000.00 payable to CML Direct upon acceptance and approval of this Contract by CML Direct, any Rebate (hereinafter defined), any fines assessed under this Contract, all Branch Location rent, all Branch Location telephone charges, all Branch location utility charges, all payroll expenses for all Branch Location employees, any applicable commercial insurance premiums for the Branch Location, any applicable social security payroll taxes for Branch Location employees, any applicable workmen's compensation charges and any other bills, fees, expenses or commissions associated with operation of the Branch Location. All Branch Initiation Fees paid by the Branch Manager may be reimbursed from the Branch Account as funds are available.

5. Termination of Contract

Branch Manager hereby agrees to send all Loan Files, Loan Logs, files, documentation, records and any other property belonging to CML Direct to the Corporate Office within seven (7) business days after termination of this Contract and Branch Manager's employment.

6. Processing Loans for Branch Location Employees

The Branch Location may originate and process a mortgage loan for any Branch Location employee, provided, however, that the total fees for such loan may not exceed \$500.00 and such loan may not be processed and closed by the same Branch Location employee that is also the borrower. No origination points, broker fees, or YSP may be earned by the Branch Location for closing such loan. All processing will be performed by corporate office and a \$695 processing fee will be charged on the HUD-1 payable to CML Direct.

7. Right of First Refusal

Branch Manager shall have the right of first refusal if an employee of the Branch Location applies to become a branch manager of CML Direct in the Same Market. "Same Market" shall mean the metropolitan area of the Branch Location. CML Direct shall obtain the express written permission of the Branch Manager to open a new branch location to be operated by a former employee of the Branch Location, if in the "same market".

8. Compensation

CML Direct shall compensate Branch Manager by payment to Branch manager of 100% of the Net Profits (hereinafter defined) of the Branch Location. "Net Profits" shall mean the total gross income of the Branch Location from any source, including, without limitation, YSP, less all Expenses associated with the Branch Location.

9. Branch Location Lease Agreement

Any Branch Location lease agreement shall be signed by Branch Manager in his/her capacity as a representative of CML Direct, not as a separate entity or individual person.

10. Non-Disclosure

Manager shall not disclose or reproduce any manual, form, computer, data, or any other information or material that is owned by CML Direct without written permission.

10. Early Payoff

In the event of an early payoff of a loan closed by the Branch Location where a rebate is required, the rebate (the "Rebate") shall be charged against the Branch Account.

11. Territory

CML Direct shall not locate another branch location within an area that could be reasonably considered harmful to the Branch Location's prospects of conducting a profitable business.

12. Arbitration

Any controversy or claim arising out of or related to this Contract or breach thereof, shall be settled by arbitration utilizing the rules of the American Arbitration Association currently in effect, unless all parties agree otherwise.

13. Attorney's Fees and Expenses

If any party to this Contract retains the services of an attorney to enforce the terms and conditions of this Contract, the non-prevailing party shall pay all costs and expenses of the prevailing party, including, without limitation, court costs and reasonable attorney's fees and expenses.

14. Termination

Either CML Direct or Branch Manager may terminate this agreement immediately upon written notice to the non-terminating party. All loan files currently in progress will become the property of CML Direct. Branch Manager hereby agrees to send all Loan Files, Loan Logs, files, documentation, records and any other property belonging to CML Direct to the Corporate Office within seven (7) business days after termination of this Contract.

15. Reserve Account

Branch Manager, upon execution of this Contract and approval by CML Direct, shall place a \$1,000.00 deposit into a reserve account with CML Direct.

16. Entire Agreement

This Contract contains the entire understanding between Branch Manager and CML Direct and supersedes any and all prior agreements respecting the subject matter hereof.

Branch Manager and CML Direct acknowledge, understand and agree to be bound by all conditions set forth within this Contract. Branch Manager understands that it is his/her responsibility to insure that all Branch Location employees, including Branch Manager, understand and strictly follow all guidelines and rules set forth in this Contract and announced from time to time by CML Direct with respect to originating and closing a mortgage loan by and through CML Direct. Branch Manager understands that failing to follow all guidelines and rules may result in immediate termination of this Contract and Branch Manager's employment with CML Direct.

17. Counterparts

To facilitate execution, this Contract may be executed in multiple counterparts. It shall not be necessary that the signature and acknowledgement of, or on behalf of, each party, or that the signature and acknowledgment of all persons required to bind any party, appear on each counterpart. All counterparts shall collectively constitute a single instrument.

18. Effectiveness of Contract

This Contract shall be of no force or effect until such time as all parties have executed the same. This Contract shall have an Effective Date as of the date of the last party's execution of this Contract.

IN WITNESS WHEREOF, the undersigned have executed this Contract as of the respective dates recited below.

CML Direct

By: _____

Name: John Sanger, its President/CEO

Date: _____

Branch Manager:

By: _____

Name: _____

Date: _____

CML DIRECT

Employment Application

Full Name: _____

Address: _____

City, State, Zip: _____

Phone Number: _____ Fax Number: _____

Email: _____ Cell Number: _____

Branch Location: _____

Social Security Number: _____

Are you legally authorized to work in the United States? [] Yes [] No

Please give your date of birth: _____

How many years have you been in the mortgage business? _____

What position did you hold? _____

Have you ever been charged with a misdemeanor or felony or been served with a cease and desist order in any state? _____

(A felony conviction, or cease and desist order will disqualify you from employment in any branch office.)

If so, explain? _____

EDUCATION

High School

Name of School: _____

Location: _____

Number of years attended: _____

Did you graduate? [] Yes [] No Date of graduation: _____

Trade School

Name of School: _____

Location: _____

Number of years attended: _____

Did you graduate? [] Yes [] No Date of graduation: _____

College

Name of School: _____

Location: _____

Number of years attended: _____

Did you graduate? [] Yes [] No Date of graduation: _____

What degree did you earn? _____

Other

Name of School: _____

Location: _____

Number of years attended: _____

Did you graduate? [] Yes [] No Date of graduation: _____

What degree did you earn? _____

EMPLOYMENT HISTORY

Beginning with your most recent employment and working back in time, please give the following information:

Employer 1

Employer: _____

Address: _____

Job Title: _____

Duties: _____

Dates of Employment: _____

Supervisor: _____ Phone Number: _____

Reason for Leaving: _____

Employer 2

Employer: _____

Address: _____

Job Title: _____

Duties: _____

Dates of Employment: _____

Supervisor: _____ Phone number: _____

Reason for Leaving: _____

Employer 3

Employer: _____

Address: _____

Job Title: _____

Duties: _____

Dates of Employment: _____

Supervisor: _____ Phone number: _____

Reason for Leaving: _____

PERSONAL REFERENCES

Please provide the names of two references who have not employed you and are not related to you.

Reference 1

Name: _____

Address: _____

Telephone Number: _____

Relationship: _____

Reference 2

Name: _____

Address: _____

Telephone Number: _____

Relationship: _____

ADDITIONAL QUALIFICATIONS

Please tell us about any other training, education, skills or achievements that you feel should be considered.

JOB DESCRIPTION

Attached to this application is a complete job description. Please review it carefully. In the space provided below, please explain generally your ability to perform the listed duties. If you are called for a job interview, please be prepared to discuss this more fully at that time.

My answers are true and complete. I understand that if I am hired, any false or incomplete statements in this application will be grounds for immediate discharge.

Date: _____

Applicant's Signature: _____



RELEASE AUTHORIZATION

In connection with my employment application with CML Direct, I hereby understand and agree to the access of private information which may include:

1. Past employment history which includes reason for termination, experiences, and work habits.
2. Credit references which may include information obtained by the three credit bureaus.
3. Criminal back ground check from institutions such as, but not limited to State, Federal and County.
4. Accident and Worker’s Compensation claims

I acknowledge that in accordance with the “Fair Credit Reporting Act” I have the right to know if my employment was denied because of information obtained by the consumer-reporting agencies. If so, I will be provided with the name(s) and phone number(s) of the credit reporting agency that provided the information

I hereby authorize, without limitation, the following agency(s) or its employees to furnish the information requested by CML Direct, and/or its Private Eye agency:

- Insurance
- Law Enforcement
- Employment
- Information Service Bureau
- School

I understand that the information provided is confidential, and will not be used for any other purposes. I hereby release CML Direct and its affiliates any information about me provided by agencies, persons, or entities, from any liability related to the service provided. I understand my signature provided on this form is valid for all, but not limited to, the agencies mentioned above. I also acknowledge that the telephonic facsimile and/or photographic copy will be valid as the original.

Name _____
Home Address _____
City _____ State _____ Zip Code _____
Social Security Number _____ Date of Birth _____
Driver’s License Number _____ State of Issuance _____
Gender _____ Race _____ Phone Number _____
Signature _____ Today’s Date _____



SCHEDULE OF FEES AGREEMENT FORM

Please read the following agreement carefully before signing.

I, _____, a Branch Manager of "CML Direct" have read, and understand the following:

1. A \$1,250.00 fee must be paid to CML Direct from my Branch Account on the 1st day of each month. This fee includes the Monthly Operations Fee. If my employment status has been established before or after the 1st day of the month, the fee will be prorated accordingly.
2. A \$1,000.00 Reserve Account Fee shall be required upon acceptance of my employment.
3. A \$100.00 Bank Fee shall be required to open my Branch Account, such fee may be reimbursed from the Branch Account as funds are available.
4. A \$150.00 Investigative Fee shall be required to process my employment application, such fee may be reimbursed from the Branch Account as funds are available.
5. A Branch License Fee of \$500 shall be required to establish my Branch Location and shall be required annually. Such fee may be reimbursed from the Branch Account as funds are available.
6. I understand that I will be notified if there are any additional fines, fees or charges.
7. **If I maintain a negative balance on my Branch Account, I will be charged \$30.00 for each day funds become unavailable, such fee to be deducted from my Branch Account.**

8. If I continue to maintain a negative balance in my Branch Account for more than 3 times in one month, my Branch Account shall be reviewed for closure.

Other Potentially Applicable Fees

- Fannie Mae Desktop Underwriter fee
- HUD Fee (\$300.00)
- Credit Report fee
- Compliance Fees and Fines (\$100.00 late fee for late Monthly Operations Fee, \$100.00 fee for late Loan Logs, \$100.00 fee for late Loan Files, \$500.00 fine for failure to document out of state loans and any other fines or fees as set forth in the Branch Manager's Contract)

I understand, and assume responsibility for all draft fees and hereby agree to the schedule of payment.

Branch Manager's Name _____

Branch Manager's Signature _____ Date _____

CML DIRECT

***** “LOAN FRAUD ZERO TOLERANCE POLICY”*****

CML Direct fraud policy must be acknowledged by all its employees. It is the policy and intent of CML Direct to support the eradication of loan fraud within the residential/commercial lending marketplace.

As a **CML Direct**, manager, loan officer, processor or employee we want to advise that you will bear the responsibility for all of your actions, performed in the course of this business. **CML Direct** will not jeopardize its good standing with financial institutions, regulatory and licensing agencies.

IF YOU HAVE ANY SUSPICIONS OF FRAUD CONCERNING A FILE YOU ARE INVOLVED WITH, YOU MUST IMMEDIATELY CONTACT CML MANAGEMENT AT 248-247-2400.

PLEASE READ THE FOLLOWING CAREFULLY.

THE SUBMISSION OF A LOAN APPLICATION CONTAINING FALSE OR MISREPRESENTED INFORMATION IS A FEDERAL CRIME.

Although loan fraud or negligent misrepresentation may be perpetrated in many ways, some of the most common examples are shown below.

COMMON EXAMPLES OF LOAN FRAUD

Submission of inaccurate information which includes but is not limited to:

Entering false statements on a loan application, falsification of documents used to substantiate credit, employment, deposit and asset information or personal information. This may include falsification of identity, ownership/non-ownership of real property, etc., forgery or misrepresentation of partially or predominantly accurate information, inaccurate representation of current occupancy.

Lack of due diligence or concern by broker, loan officer, interviewer or processor, including failure to obtain or divulge all information required by the application and failure to request further information as dictated by Borrower's response to other questions.

Acceptance of delinquent information or documentation which is known or suspected, to be inaccurate or acceptance of information.

An example may include one or more of the following:

- Simultaneous or consecutive processing of multiple owner-occupied loans from a single applicant where information differs on each application.
- Permitting an application or interested third party to assist with the processing of the loan.
- Failure of the broker to disclose any relevant or pertinent information.

The consequences to those who participated in loan fraud are even more severe. Following is a list of a few of the repercussions that may be experienced:

CONSEQUENCES TO BORROWER:

- Civil action taken by CML Direct, and/or any other party involved
- Termination of employment and/or professional license
- Negative effect of Credit History
- Criminal Prosecution
- Incurring of debt

CONSEQUENCES TO EMPLOYEE:

- Loss of Branch and/or Broker's License
- Possible criminal prosecution
- Civil action by all parties involved
- Inability to do business with any government agencies, financial institutions, and mortgage insurance companies

ALL LOANS SUBMITTED ARE SUBJECT TO VERIFICATION BY THE INTERNAL REVENUE SERVICE UNDER IRS CODE 4506 SUBJECT TO INCOME VERIFICATION

I have read the foregoing and I understand and accept the policies of **CML Direct** as to "loan fraud."

CML Direct "Branch Office"

Branch Manager Signature

Branch Manager Name

Date

CML Direct Employee Signature

CML Direct Employee Name

Date



AGREEMENT TO RETURN FILES

I _____, Branch Manager of
"CML Direct" located at _____

Understand and hereby agrees to the following:

1. Manager is to return all files to "CML Direct" within 7 business days upon termination of branch manager's position.
2. Branch manager is responsible for all fees and expenses regarding shipment of files.
3. Unless modified agreement is signed by both the branch manager and "CML Direct" it will be considered invalid.
4. Agreement shall be binding between CML Direct and Branch Manager. Immediate action will be taken upon breach of this contract.

Branch Manager's Signature _____

Date: _____

CML Direct Signature: _____

Date: _____



OFFICE LEASE CONTRACT

THIS LEASE AGREEMENT, MADE AND ENTERED INTO THIS ____ day of _____, 20__, by and between _____ (the "Landlord") whose address for the purpose of this lease is _____ and CML Direct(the "Tenant") whose address for the purpose of this lease is: _____.

WITNESSETH THAT:

- 1. PREMISES AND TERM.(month to month only)
- 2. RENTAL Tenant agrees to pay to Landlord as rental for said term, as follows: \$_____ per month, in advance, the first rent payment becoming due upon the _____ day of _____, 20__ , and the same amount, per month, on the _____ day of each month thereafter, during the term of this lease.
- 3. USE OF PREMISES. Tenant covenants and agrees during the term of this lease to use and to occupy the leased premises, only for legal purposes.
- 4. TERMINATION OF LEASE. This lease may be canceled by either party with a 7 day written notice, and shall stay enforced until termination on either side.

TENANT'S NAME: _____

TENANT SIGNATURE: _____ DATE: _____

LANDLORD NAME _____

LANDLORD SIGNATURE _____ DATE: _____



NON DISCLOSURE

FOR GOOD CONSIDERATION, and in consideration of being employed by “CML Direct”, the undersigned employee hereby agrees and acknowledges:

1. That during the course of my employment there may be disclosed to me certain trade secrets of the Company, said trade secrets consisting but not necessarily limited to:

(a) Names of Banks, telemarketing ideas, methods, processes, compositions, systems, techniques, inventions, machines, computer programs and research projects.

(b) Business information: customer lists, pricing data, sources of supply, financial data and marketing, production or merchandising systems or plans.

2. I agree that I shall not during or at any time after the termination of my employment with the Company, use for myself or others or disclose or divulge to others including future employees, any trade secrets, confidential information, or any other proprietary data of the Company in violation of this agreement.

3. That upon the termination of my employment from the Company: (a) I shall return to the Company all documents and property of the Company, including but not necessarily limited to: reports, manuals, correspondence, customer lists, computer programs, and all other materials and all copies thereof relating in any way to the Company's business, or in any way obtained by me during the course of employment. I further agree that I shall not retain copies, notes or abstracts of the foregoing.

(b) The Company may notify any future or prospective employer or third party of the existence of this agreement and shall be entitled to full injunctive relief for any breach.

(c) This agreement shall be binding upon me and my personal representatives and successors in interest and shall inure to the benefit of the Company, its successors and assigns.

Branch Manager’s Name _____ Date _____

Branch Manager’s Signature _____



DOCUMENTS NEEDED FOR HIRING LOAN OFFICERS

1. Employment Application
2. Authorization and Release
3. No Fraud Policy
4. W-4
5. I-9
6. Non Disclosure Agreement
7. Agreement to Return Files
8. Copy of Social Security Card
9. Copy Of Driver's License/Legal ID

Send the original package to the location below, and keep a copy for your files. Please make sure you train your loan officers and keep them updated with the new laws.

Send all Documents to:
CML Direct
Attn: HR Dept
700 E. Big Beaver Road, Suite F
Troy, MI 48083

Thank you,

John Sanger
President/CEO