

BROKER COMPENSATION ADDENDUM TO MORTGAGE BROKER AGREEMENT

This Broker Compensation Addendum (“Addendum”) to the Mortgage Broker Agreement (“Agreement”) is entered into as of the ____ day of _____, 20 (the “Effective Date”) by and between FundLoans Capital (“FundLoans” or “Lender”), and

(“Broker”). This Addendum supplements the Mortgage Broker Agreement (“Agreement”) entered into by and between FundLoans and Broker and is incorporated therein by reference. In the event that the terms of the Agreement and the Addendum conflict, the Agreement shall prevail. As of the Effective Date, this Addendum and the terms contained herein shall replace any and all prior broker compensation agreements or addenda executed by and between FundLoans and Broker, if any.

FundLoans and Broker agree that this Addendum will be effective for all mortgage loans registered and assigned a FundLoans loan number on or after the Effective Date. FundLoans and Broker agree that the compensation levels specified below shall be effective until amended in writing by Broker and received and acknowledged by FundLoans. Notwithstanding the foregoing, FundLoans reserves the right to modify the terms of this Addendum, including available compensation levels at any time in accordance with the Agreement. Broker may only choose to change the compensation levels once every ninety (90) days. If Broker requests a change to the compensation levels specified herein within ninety (90) days of the Effective Date, then the requested change shall not become effective until after ninety (90) days from the Effective Date have elapsed. However, if Broker has not yet been compensated directly by FundLoans (commonly referred to as a “lender-paid” transaction) pursuant to this Addendum, then Broker may elect to change Broker’s compensation levels once within the ninety (90) day period. FundLoans shall not compensate Broker for any loans registered prior to the selection of a Lender-Paid Compensation Tier below and execution of this Addendum. FundLoans may choose to amend the terms herein at any time in accordance with the terms of the Agreement. FundLoans shall not compensate Broker for any loans registered after date of such amendment until Broker has executed and returned such amended Addendum.

For every mortgage loan submitted by Broker to Lender, Broker must elect to be compensated by either the borrower or FundLoans. In no circumstance may Broker accept compensation from both the borrower and FundLoans.

Option 1: Compensation Paid by Borrower

In the event Broker elects to be compensated directly from the borrower, any fees (and the amount of such fees) imposed by Broker upon Borrower have been determined by negotiations between Borrower and Broker, may vary on each individual loan transaction, and such fees may be from the borrower’s own funds or loan proceeds. In addition, Borrower paid compensation may include seller concessions. Under a borrower paid loan transaction, the Broker may not receive any compensation directly or indirectly from any other party or entity to the transaction, or outside the transaction, including the Lender. In no case shall Broker’s total compensation, inclusive of all additional fees which may be charged as part of the loan origination process, exceed 3% of the total funded loan amount.

Option 2: Compensation Paid by FundLoans

For any loan submitted to FundLoans that Broker requests to be paid by Lender, Broker shall not be compensated, directly or indirectly, based upon the mortgage transactions terms or conditions, except the amount of credit extended.

In accordance with this Addendum and applicable law, for any loan transaction submitted to FundLoans that is approved and funded, and for which Broker elects to be compensated by FundLoans, and not directly by the borrower, Broker shall be paid the percentage selected below multiplied by the total funded loan amount. Should Broker fail to select a percentage amount, Broker shall not be entitled to receive any compensation from FundLoans.

Broker chooses to not participate in Lender-Paid Compensation.

Select a Lender-Paid Compensation Tier:

- Tier 1 – 1.00% Tier 2 – 1.25% Tier 3 – 1.50%
 Tier 4 – 1.75% Tier 5 – 2.00%

Broker agrees that compensation paid by FundLoans may be based on a fixed percentage of the loan amount and may be subject to maximum dollar amount that does not vary per Loan.

(Note: Please select your Lender-Paid Compensation Tier carefully as it must be inclusive of all broker fees including but not limited to: origination fees, processing fees, application fees, administration fees, etc.)

Notwithstanding the compensation amounts selected above, FundLoans shall reserve the right to limit the compensation to Broker in accordance with applicable federal, state, and/or local laws, rules, and/or regulations, as well as investor rules, regulations, and/or guidelines.

The amount of compensation to be paid by FundLoans, selected by Broker above, shall be applicable only to loan transactions originated after the execution of this Addendum, and may only be changed in accordance with the terms contained herein.

In transactions for which the Broker elects to be compensated by FundLoans, the borrower may choose a higher interest rate to cover third-party closing costs only. Any lender credit remaining after payment of third-party closing costs shall be returned to FundLoans and applied as a principal reduction on the subject loan. None of the excess amounts may be paid to Broker as compensation.

Broker understands and agrees that if a mortgage loan funded by FundLoans is repaid in full before the borrower makes his or her first six (6) scheduled monthly payments following the closing of such mortgage loan, Broker shall reimburse FundLoans the amount of any compensation that was paid to Broker by FundLoans in connection with such mortgage loan. Broker shall reimburse FundLoans within ten (10) days after FundLoans notifies Broker of the early payoff. Any delay by FundLoans in notifying Broker of such early payoff shall in no circumstance constitute a waiver of FundLoans' right to reimbursement.

IN WITNESS WHEREOF, and intending to be legally bound hereby, Broker and FundLoans have caused this Addendum to be executed by their duly authorized representative who, by signing below, represent and certify as having the authority and capacity to bind the respective party to this Addendum.

BROKER

FUNDLOANS

Signature: _____

Signature: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____