



ALTA MORTGAGE BANKERS

A DIVISION OF PACOR MORTGAGE

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POLICY OVERVIEW

The Broker Approval Policy and Procedures streamlines the process of Approving Brokers and retains only the strongest and most reputable Brokers to deliver loans. Broker relationships are defined as mortgage loan bankers who originate process, close and submit for purchase loans that meet Alta Mortgage Bankers program parameters and underwriting requirements. A complete application and approval of the Broker is required prior to doing business with Alta Mortgage Bankers.

BROKER CRITERIA

The Broker must meet criteria as follows.

- ❖ Be properly licensed and authorized to originate and sell loans meeting Alta Mortgage Bankers product line and underwriting requirements.
- ❖ Have been in business for at least two years. In cases of newer firms, principals should have a minimum of seven years' experience in mortgage lending.
- ❖ Have a good reputation in the industry with proven references, and a high level of professionalism and strong ethical standards.
- ❖ Have a minimum tangible and verifiable net worth of \$100,000 derived from current financial statements. For delegation of underwriting authority, a minimum tangible net worth of \$1,000,000 as audited by a Certified Public Accountant is required.
- ❖ Maintain a current Errors and Omissions Insurance Policy and Fidelity Bond with a minimum coverage of \$300,000 per occurrence
- ❖ Have a "good standing" rating with all governmental licensing and revenue collection agencies, including a public record clear of any civil or criminal judgements. A broker whose firm has been suspended, is currently under investigation by any governmental agencies or has an open judgement in excess of \$25,000 will not be approved and will not be renewed to do business with Alta Mortgage Bankers.
- ❖ All principle officers, owners and / or partners must have an acceptable personal credit profile. In the case of corporations, the entity must have a satisfactory corporate report. Past credit difficulties will be reviewed on a case-by-case basis. A letter from the Broker explaining the derogatory item(s) is required. Financial institutions subject to oversight by the FDIC, NCUA, OTS, Federal Reserve or Comptroller of the Currency may have this requirement waived.

APPLICATION REQUIREMENTS

Your application MAY NOT be considered until we are in receipt of the following:

- Competed Application – signed & dated
- Corporate Resolution (Sample Attached)
- Credit Consent – completed and signed ¹
- Power of Attorney – completed, signed, & notarized
- Evidence of Mortgage E & O (or Mortgage Impairment) Insurance and Fidelity Bond or Bankers Bond
- Copy of Company Organization Chart
- Completed Loan Fraud Zero Tolerance form
- If applicable, copy of Company's Third Party Organization (TPO) Policy & Procedures
- AML/SAR Attestation Form
- Annual financial statements for the two prior years & most recent interim financial statement (within past 5 months)²
- One Executed Mortgage Loan Purchase and Sale Agreement
- Resumes of Principal officers/Senior Managers (incl. UW Mgr)
- Copy of wire instructions for each warehouse provider
- Quality Control Policy/Procedures
- Latest Quality Control Audit report with management response including remediation plan for significant findings
- Investor Scorecards (at least 3 required)
- Company's Appraisal Independence Requirements (AIR) Policy
- Agency Approval Letters (i.e., FHA/HUD, Fannie Mae, Freddie Mac)
- W-9 Form
- If annual financial statements are unaudited, three most recent consecutive bank and brokerage statements for company accounts

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² Audited financials required for delegation.