



**Western Bancorp
Loan Purchase Program Agreement Package**

Thank you for your interest in becoming a Seller in Western Bancorp’s Loan Purchase Program. Please complete and submit all information requested in this application. Upon receipt, Western Bancorp will review, verify and respond with a decision regarding your application package.

Name of your Western Bancorp Account Executive

Western Bancorp Account Executive

Seller Designation and Relationship - Indicate requested type of Seller relationship, or both;

- Correspondent Seller - a Seller that closes a Mortgage Loan in the Seller’s name in a correspondent relationship with Western Bancorp.
- Wholesale Seller - a Seller that acts as a mortgage broker where the Mortgage Loan closes in Western Bancorp’s name in a wholesale relations with Western Bancorp.

Application Submission Checklist

- Loan Purchase Agreement.** Executed Loan Purchase agreement with no changes.
- Special Limited Irrevocable Power of Attorney.** Executed Power of Attorney.
- Corporate Resolution** – Resolution to enter into the Loan Purchase Agreement/form included in Application
- Anti-Money Laundering (AML) Program Attestation**
- Fair Lending Compliance Attestation**
- Certification and Authorization acknowledgements**
- Credit Report and Background Check Authorization**
- General Questions**

Wholesale Seller Only

- Wholesale Seller Compensation Agreement**
- Wholesale Seller Compensation Addendum**

Application Submission Checklist - continued

Correspondent Seller Only

- Warehouse Line Approvals and Wire instructions**
- Investor References**
- Company Contacts**

Additional Document Requirements

- Company Formation documents** - *(Articles of Incorporation)*
- Business Licenses**
- Agency approvals**
- NMLS Registration**
- IRS Form W-9**
- Current Credit Report** – *(If available)*
- Resumes**
 - Correspondent Seller* – Principals, Broker and all key Company contacts
 - Wholesale Seller* – Principals and Broker
- Financials Statements**
 - Correspondent Seller* – Two years audit financial statements and most recent YTD financial statements
 - Wholesale Seller* – Two years financial statements signed by Company Officer and most recent YTD financial statements
- Fidelity Bond and Errors and Omissions policies**
- Quality control plan, policies and procedures**
- Warehouse Approvals and wire instructions**

LOAN PURCHASE AGREEMENT

This Wholesale Lending Loan Purchase Agreement (“Loan Purchase Agreement”), dated _____ (Effective Date) between Western Bancorp, a California corporation (“Western”), whose principal place of business is located at 5671 Santa Teresa Blvd., Suite 100, San Jose , CA 95123, and _____ a _____ (the “Seller”), whose principal place of business is located at _____,

WHEREAS, Western and Seller have agreed to enter into an arrangement under which Seller will, depending upon the terms of the Mortgage Loan, the type of Mortgage Loan, the loan program under which the Mortgage Loan is originated, the jurisdiction in which the Mortgage Loan is originated, and the statutes, regulations and licensing requirements applicable to each particular Mortgage Loan, and other circumstances: sell Mortgage Loans to Western in the secondary market; assign Mortgage Loans to Western at closing; and/or act as a mortgage broker which solicits prospective borrowers for Eligible Mortgage Loans (defined below). Such Mortgage Loans may, depending on these factors, close in Western’s name or in Seller’s name. All references to “Seller,” the “sale,” “selling,” or “purchase” of Mortgage Loans, or Mortgage Loans “sold” to Western, in this Loan Purchase Agreement, any addenda hereto, and in Western’s Sellers Guide, shall refer and be applicable to any and all of the business arrangements described in this paragraph;

WHEREAS, the purpose of this Loan Purchase Agreement is to set forth the duties, responsibilities, and obligations of each party;

NOW, THEREFORE, in consideration of the promises set forth in this Loan Purchase Agreement and for other good and valuable consideration, this Loan Purchase Agreement sets forth the terms and conditions upon which the Seller agrees to sell to Western Mortgage Loans, and the parties agree as follows:

I. The Sellers Guide

- (a) The Seller has reviewed Western’s Sellers Guide, as may be amended or revised from time to time (the “Sellers Guide” or “Guide”).
- (b) The parties agree: that Western may, in its sole and absolute discretion, amend or revise the Sellers Guide at any time, with notice to the Seller; that each Mortgage Loan sold by Seller to Western shall be governed by the version of the Sellers Guide in existence on the date of the Closing (as that term is defined in the Sellers Guide) of each Mortgage Loan; and that Sellers sale of a Mortgage Loan to Western constitutes Sellers acceptance of and agreement with each and every provision of the version of the Sellers Guide in effect at the Closing of each Mortgage Loan.
- (c) Seller further acknowledges that it has been provided electronic access to the Sellers Guide; that such electronic access allows Seller to access the current version of the Sellers

Guide; and that such electronic access provides full, accurate, and complete notice of any amendments or revisions to the Sellers Guide.

- (d) The parties agree that the Sellers Guide, along with this Loan Purchase Agreement and any amendments to this Loan Purchase Agreement, constitute the complete agreement between the parties as to the sale by the Seller to Western of Mortgage Loans.
- (e) Any capitalized term used in this Loan Purchase Agreement that is not otherwise defined shall have the meaning set forth in the Sellers Guide.
- (f) In the event of any express conflict between the provisions of this Loan Purchase Agreement and the provisions of the Sellers Guide, the provisions of this Loan Purchase Agreement shall control.

II. Commitments

- (a) The Seller will offer for sale all of its rights, title and interest (including servicing rights) in Eligible Mortgage Loans to Western. An “Eligible Mortgage Loan” means a Mortgage Loan that satisfies all of the requirements contained in the Sellers Guide and the standards for the applicable program contained in the Sellers Guide under which Seller is offering the Mortgage Loan. Western may, in its sole and absolute discretion, issue a written Commitment to Seller to purchase the Eligible Mortgage Loan. Seller is under no obligation to sell loans exclusively to Western. Western is under no obligation to purchase a specific number of Eligible Mortgage Loans under this Loan Purchase Agreement.
- (b) Notwithstanding anything in this Loan Purchase Agreement to the contrary, Western is only obligated to purchase an Eligible Mortgage Loan if:
 - i. a Commitment was issued by Western,
 - ii. the Seller and Eligible Mortgage Loan strictly conform with the terms of the Commitment, the Sellers Guide, and this Loan Purchase Agreement,
 - iii. the Eligible Mortgage Loan is salable to Fannie Mae, Freddie Mac, or a prudent investor in the recognized secondary market, or, if underwritten by Western, conforms with all of Western’s underwriting requirements, and
 - iv. all documents relating to the Eligible Mortgage Loan are complete and acceptable to Western in its sole and absolute discretion.

III. Purchase Price

The purchase price for each Eligible Mortgage Loan sold by the Seller to Western shall be determined as set forth in the Sellers Guide. The Purchase Price will be shown on the Commitment relating to the Eligible Mortgage Loan. Western agrees to guarantee the Purchase Price for the Eligible Mortgage Loan for the time period shown on the commitment confirmation

and the Seller agrees to close the Eligible Mortgage Loan and deliver it to Western within the designated time period.

IV. Compensation

The compensation paid to the Seller shall be paid in accordance with the Sellers Guide.

V. Fees

In the event the Seller does not comply with the loan delivery procedures contained in the Sellers Guide, the Seller shall pay Western the applicable late delivery, late correction or buyout fees as provided for in the Sellers Guide. The Seller grants Western the Rights of Offset and Western may deduct any fees or other sums owed to Western by the Seller under the terms of this Loan Purchase Agreement and the Sellers Guide from any amounts otherwise payable by Western to Seller, such as, without limitation, any compensation payable to the Seller and the Purchase Price for Eligible Mortgage Loans being purchased by Western from the Seller pursuant to this Loan Purchase Agreement and the Sellers Guide.

VI. Representations and Warranties

The Seller hereby makes all representations, warranties and covenants set forth in the Sellers Guide as such are amended from time to time.

VII. Specific Performance

- (a) The Seller recognizes that Western will rely on its commitments from the Seller; that Western will without notice to the Seller, make binding commitments in reliance thereon; that actual delivery of the Eligible Mortgage Loans under each Commitment is the essence of this Loan Purchase Agreement and is required within the delivery period as set forth in the Sellers Guide.
- (b) The Seller acknowledges and agrees that Western shall be entitled, therefore, in addition to the remedies set forth in the Sellers Guide, to specific performance if the Seller fails to perform any of the Seller's commitments because money damages will not adequately compensate Western for its losses and Western may be unable to effect cover to satisfy its commitments with third parties.
- (c) Upon the Seller's insolvency, repudiation or failure in Western's sole judgment to perform its obligations, Western may proceed immediately by its own acts, order or seizure, or such other remedy as may be available at law or equity to take possession of all documents relating to a Mortgage Loan belonging to the Seller which could qualify for sale to Western pursuant to the Seller's commitments.

VIII. Notices

Any notice or demand that is required or permitted to be given by a provision of this Loan Purchase Agreement or the Sellers Guide shall be deemed to have been sufficiently given if (a) in the case of notice from Western to the Seller, such matter is set forth in the Sellers Guide or any amendment or revision to the Sellers Guide, or (b) either served personally or sent by prepaid first class, registered, or certified mail, addressed to the party at its address set forth below.

SELLER:

WESTERN

Attn: _____

Western Bancorp
5671 Santa Teresa Blvd., Suite 100
San Jose, CA 95123
Attn: EVP Production

IX. Faxing and E-Mailing

By executing the Loan Purchase Agreement Seller agrees to receive facsimile or e-mail advertisements from Western.

X. Signatures and Counterparts

The Loan Purchase Agreement may be executed in one or more counterparts, each of which counterparts shall be deemed to be an original, and all such counterparts constitute one and the same instrument. Facsimile and electronic signatures shall be acceptable and shall have the same effect as an original ink signature.

XI. Non-Discrimination

By executing the Loan Purchase Agreement, Seller certifies that it will comply with all applicable provisions of Executive Order 11246, as amended, Section 503 of the Rehabilitation Act of 1973, as amended, and the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended, (38 U.S.C. 4212) and implementing regulations at 41 CFR Chapter 60.

XII. Affiliated Business Arrangement

(Please check one of the boxes below)

Seller represents and warrants that it has an affiliated business arrangement (“ABA”), as defined in 12 CFR 1024, as it may be amended from time to time (including but not limited to, title companies, escrow service providers, real estate brokerages, etc.) with the following business entities:

Name: _____ Address: _____
Name: _____ Address: _____
Name: _____ Address: _____

Seller represents and warrants that it does not have an ABA with any business entity.

Seller agrees that it shall notify Western in writing within five (5) days of any change in its relationship with any ABA.

Principal Officers

As of the date hereof the principal officer(s) of the Seller are:

Name: _____ Title: _____ Ownership%: _____
Name: _____ Title: _____ Ownership%: _____
Name: _____ Title: _____ Ownership%: _____

XIII. Programs

Western authorizes Seller to participate in the Mortgage Loan Programs for which Seller meets the applicable eligibility requirements, and by signing this Loan Purchase Agreement, Seller agrees to abide by the terms and conditions applicable to each Mortgage Loan Program as set forth in the Sellers Guide.

XIV. Termination

(a) This Loan Purchase Agreement may be terminated by either party at any time with or without just cause upon five (5) days prior written notice. Termination shall not affect or change the obligations of the parties with respect to outstanding Commitments to sell or purchase Mortgage Loans or limit Seller’s duties or obligations to Western under this Loan Purchase Agreement or the Sellers Guide with respect to Mortgage Loans already purchased by Western.

(b) Notwithstanding anything to the contrary herein, Western may terminate this Loan Purchase Agreement immediately, upon written notice to Seller, if Seller defaults in the

performance of this Loan Purchase Agreement or the Sellers Guide, breaches any of its representations or warranties, if Seller acts negligently, or if fraud is discovered as to any Mortgage Loan. These described actions include grounds for Western to declare an event of default. Upon such termination for cause Western's obligation under any existing Commitment shall terminate, although Western may continue to honor any outstanding Commitment in its sole discretion.

XV. Compliance with Laws

Seller shall comply with all applicable federal and state laws, statutes, rules and regulations including but not limited to the Red Flags Rule (16 CFR Part 681) regarding the development and implementation of a written Identity Theft Prevention Program, as defined therein.

XVI. Incorporation of Recitals

All of the foregoing recitals are a part of, and are incorporated in the terms of this Loan Purchase Agreement. They are acknowledged by the parties hereto to be true, correct, and accurate.

XVII. Entire Agreement

The Loan Purchase Agreement and the Sellers Guide integrates all the terms and conditions mentioned herein or incidental hereto and supersedes all oral negotiations or prior writings in respect to the subject matter hereof and thereof.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK; SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF the parties hereto have entered into this Loan Purchase Agreement as of the date first set forth above.

Agreed to and Accepted by:

Agreed to and Accepted by:

Seller: _____

Western Bancorp,

By: _____ _____ (Printed name of officer) _____ (Title of officer) _____ (Date)	By: _____ _____ (Printed name of officer) _____ (Title of officer) _____ (Date)
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SPECIAL LIMITED IRREVOCABLE POWER OF ATTORNEY

Seller hereby irrevocably appoints Western Bancorp ("Western"), its successors and assigns, its attorney-in-fact, with full power of substitution in the name of Seller or otherwise, whether in relation to real, personal, tangible, or intangible property, to do any or all of the following on any Mortgage Loans sold or brokered to Western: (a) to demand, sue for, receive, collect, sign, endorse, assign or compromise any and all promissory notes, checks, money orders or monies due (except a Mortgage Loan which has been repurchased by Seller pursuant to the Remedies Obligation Section in the Sellers Guide), and to receive, sign, endorse, or assign any orders, certificates, insurance policies and all benefits under any other instruments or documents as from time to time may be necessary or appropriate to accomplish the sales and transfers provided for by this Loan Purchase Agreement; (b) to enforce, cancel, release or discharge the Mortgage Loans; and (c) to exercise or perform any act, power or duty that Seller has or would have in connection with the Mortgage Loans purchased by or brokered to Western or which are reasonable in order to protect Western's interest in the Mortgaged Property. Seller agrees that the foregoing powers are irrevocable and coupled with an interest. Seller will, at Western's request, execute appropriate separate instruments evidencing the foregoing powers.

SELLER

Company: _____

By (authorized officer of Seller): _____

Name (please print): _____

Title: _____

Date: _____

STATE OF _____)

COUNTY OF _____)

BEFORE ME, a Notary Public, on this day personally appeared _____ known to me to be the
(Name)
person whose name is subscribed to the foregoing instrument, and known to me to be the _____ of
(Title)
_____, and acknowledged to me that said instrument was signed on behalf of said
(CompanyName)
Corporation by authority of its Board of Directors (or other similar governing body in the case of an LLC, LLP, partnership or other entity), and acknowledged the execution of said instrument to be the voluntary act and deed of said Corporation (or other entity) by him/her voluntarily executed.

Given under my hand and seal of office this _____ day of _____, 200_.

Notary Public



Corporate Resolution

I, the undersigned, duly elected Secretary/President of _____, a _____ (Type of Business Entity), HEREBY CERTIFY as follows:

The following resolutions were duly and properly adopted by the Board of Directors of the Business Entity in accordance with the laws of the state of its incorporation and the Business Entities' Articles of Incorporation and bylaws on Day of _____, _____, 20___. These resolutions have not been rescinded or amended:

RESOLVED, that the Board of Directors authorizes and directs the President or Vice President of the Business Entity to execute and enter into the Application, on behalf of the Business Entity.

RESOLVED, that

(Name) (Signature) (Title of Officer)

(Name) (Signature) (Title of Officer)

And each of them is, authorized and empowered to take all such steps and do all such acts and things as may be necessary and proper to carry out all the purposes of the Application, and the performance and observance by this Business Entity, at all times while the Application shall be in effect, of all covenants, conditions, warranties and obligations arising under the Application, including, but not limited to, the making and execution of any necessary or desirable instruments, certificates, affidavits or other documents in connection with the Application, and from time to time take any and all action to make, execute, verify, record, file, and deliver any necessary instruments and to do any and all other acts and things which they or any of them shall deem necessary or advisable in connection with the Application.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of this Business Entity on this Day of _____, _____, 20__.

Signature: _____

Printed Name: _____

Date: _____



Anti-Money Laundering (AML) Program Attestation

In compliance with the final rule issued by the Financial Crimes Enforcement network (FinCen) requiring non-depository residential mortgage lenders and originators (RMLOs) to comply with the BSA/AML Rule under 31 CFR 1029.210 "Anti-Money Laundering programs for loan or finance companies", _____ who is an approved non-depository Broker / Mortgage Lender attests that the company has implemented or is in the process of implementing a compliant Anti-Money Laundering (AML) program which:

- Incorporates policies, procedures and internal controls based upon the loan or finance company's assessment of the money laundering and terrorist financing risks associated with its products and services.
- Designates a compliance officer who will be responsible for ensuring that the AML program is implemented effectively, is updated as necessary and ensure appropriate persons are educated and trained in accordance with the new rule.
- Provides for on-going training of appropriate persons concerning their responsibilities under the program.
- Provides for independent testing to monitor and maintain an adequate program.

Western Bancorp reserves the right to request evidence of compliance. Broker / Mortgage Lender agrees to provide the evidence of compliance, if requested.

Date: _____

NMLS Company ID: _____

Company Name: _____

Authorized Signature _____

Fair Lending Compliance

The Equal Credit Opportunity Act (ECOA) and the Fair Housing Act (FHA) are two primary fair lending regulations. ECOA prohibits discrimination in all aspects of residential real estate related transactions. Although the prohibited factors addressed by ECOA and FHA differ, they both have implications for mortgage lending. The Federal Trade Commission Act, Section 5, which deals with unfair and deceptive acts and practices (UDAP) and the Dodd-Frank Act on Unfair, Deceptive or Abusive Acts or Practices (UDAPP), Section 1031, also have fair lending implications.

The prohibited basis upon which ECOA and FHA prohibit discrimination are: race, color, religion, national origin, marital status, age (providing the applicant is of legal age and has the capacity to enter into a binding legal contract,) gender, disability, familial status, receipt of public assistance, or the fact that the individual has exercised in good faith any right under the Consumer Credit Protection Act.

Fair Lending violations can fall into any one of the following categories:

- Overt Discrimination – Overtly discriminatory policies or practices
- Disparate Treatment – Adverse use of discretion in the lending function relative to a prohibited basis
- Disparate Impact – Unnecessary application of a nondiscriminatory policy that has a discriminatory impact

Western Bancorp is committed to the practices of fair lending. It is the policy of Western Bancorp to make credit products available to all applicants who meet Western Bancorp's business focus in a fair and consistent manner within the confines of safe and sound banking practices. Western Bancorp does not discriminate against any credit applicant on the basis of race, color, religion, national origin, marital status, age (providing the applicant is of legal age and has the capacity to enter into a binding legal contract,) sex, disability, familial status, receipt of public assistance, or the fact that the individual has exercised in good faith any right under the Consumer Credit Protection Act, or on any other prohibited basis.

Specifically, Western Bancorp refrains from the following practices, which may be perceived as discriminatory in nature:

- Failing to provide information or services, or providing different information or services to applicants in any aspect of the lending process, including credit availability, application procedures, or lending standards.
- Discouraging or selectively encouraging applicants with respect to inquiries about or applications for credit.
- Refusing to extend credit or using different standards in determining whether to extend credit to applicants based on prohibited basis.
- Refusing to extend credit or using different standards in determining whether to extend credit to applicants based solely on whether they have placed a fraud or military alert on their credit bureau report.
- Varying the terms of credit offered, including the amount, interest rate, duration, or type of loan based on a prohibited basis.
- Using different standards to evaluate collateral offered by applicants based on a prohibited bases.
- Treating any borrower differently in servicing a loan or invoking default remedies.
- Using different standards for pooling or packaging a loan in the secondary market based on a prohibited basis.
- Steering borrowers to a particular loan based on the compensation that will be received by the loan originator



Fair Lending Compliance (Continued)

Company agrees to comply with the foregoing fair lending practices of Western Bancorp during the entire term of Company's relationship with Western Bancorp and understands that any failure to comply shall be grounds for immediate termination of the Loan Purchase Agreement. In addition, any loan application found not to be in compliance with Western Bancorp's fair lending practices shall be subject to rejection by Western Bancorp.

Received, read, understood and agreed:

Company Name

By: _____
Authorized Signer

Date

Print Name



Certification

Seller hereby certify that all information provided to Western Bancorp in this Application is correct in all material respects and that the undersigned will promptly inform Western Bancorp of any material changes in the information provided. Seller further certifies that they have no present intention to file for Bankruptcy protection. Undersigned fully understands that it is a federal crime punishable by fine or imprisonment, or both to knowingly make any false statements concerning any of the above facts as applicable under the provision of Title 18, United States code, Section 1014.

The undersigned certifies that (i) it is duly organized, validly existing, and in good standing under the laws of the jurisdiction of its organization and in all other jurisdictions in which the nature of the business conducted by it makes such qualification necessary, (ii) it has all requisite corporate power, and has all governmental licenses, authorizations, consents and approvals necessary to own its assets and carry on business as now being or as proposed to being conducted, and (iii) no practice, procedure or policy employed by it in the conduct of its business violates any law, regulation, agreement, regulatory consent, order or decree applicable to it. By signing, the signer(s) certifies that he/she is authorized to execute this Application for the Seller and that I (we) further certify that I (we) have verified that all of the information in this application and all related documents are complete and correct.

Authorizations

The undersigned entity and its officers, directors, shareholders, and/or partners hereby authorizes any person, institution, credit reporting agency, or governmental agency to release information requested by Western Bancorp in connection with any ongoing monitoring and reporting obligations. Including, without limitation: to any party providing financing to Western Bancorp, to any regulatory agency and to a rating agency.

The signer(s) authorize(s) Western Bancorp to obtain consumer and/or business reports, in their names as individuals at any time. The signer(s) understand(s) and agree(s) that this application is subject to final credit approval. The signer(s) hereby authorize Western Bancorp, at its discretion, to verify and obtain information on the Seller and principal(s) with any other sources (such as the Mortgage Industry Data Exchange "MIDEX"), and the signer(s) hereby waives any cause of action or claim the signer(s) may have against such source with respect to any information the sources may provide.

Agreed to and Acknowledged on: _____, 20____

Seller Name

Signature of Authorized Officer

Name of Authorized Officer

Title of Authorized Officer



Credit Report and Background Check Authorization

Each of the undersigned hereby authorizes Western Bancorp, or its assignees to obtain business and personal credit reports and/or background checks from any source and obtain a personal consumer credit report in connection with this application. All Principals with twenty-five percent (25%) or greater ownership and Broker of Record are required to sign this authorization.

DATE	
INDIVIDUAL	
(PRIMARY RESIDENCE)	
STREET ADDRESS	
CITY	
STATE	
ZIP CODE	
DATE OF BIRTH	
SOCIAL SECURITY #	
SIGNATURE	

DATE	
INDIVIDUAL	
(PRIMARY RESIDENCE)	
STREET ADDRESS	
CITY	
STATE	
ZIP CODE	
DATE OF BIRTH	
SOCIAL SECURITY #	
SIGNATURE	

DATE	
INDIVIDUAL	
(PRIMARY RESIDENCE)	
STREET ADDRESS	
CITY	
STATE	
ZIP CODE	
DATE OF BIRTH	
SOCIAL SECURITY #	
SIGNATURE	

General Questions (Provide an explanation on a separate page for any questions answered "Yes")

1	Has your Company ever been, delinquent on payment of any income taxes, real property taxes, payroll/employment taxes?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
2	Has your Company, and/or any principals or corporate officers, filed for protection from creditors under any provision of bankruptcy laws?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
3	Have any members of the Management and/or Senior Officer of the Firm had any judgments, or administrative action, against them in the last five years	<input type="checkbox"/> Yes	<input type="checkbox"/> No
4	Has any investor enforced, or attempted to enforce the Hold Harmless or repurchase clause of their correspondent or broker agreement with the Company and/or any principals or corporate officers?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
5	Has the Company's approval or good standing with HUD, VA, USDA, FNMA, FHLMC, GNMA or any federally insured financial institution, other regulatory agency, private mortgage insurance company or any private investor ever been suspended or withdrawn?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
6	Has any investor, agency or regulator's audit or examination within the past five (5) years shown the Company to be out of compliance with applicable regulations, statutes or guidelines?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
7	Has the Firm, its parent, subsidiary or affiliates had any lending or investor relationship terminated in the past 24 months?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
8	Have the Firm, Management and/or Senior Officers ever been terminated or placed on an exclusionary list by an investor, private mortgage insurance company or a regulator?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
9	Has the Firm, Management and/or Senior Officers had any formal complaints filed against it by any state or federal agency, or consumer, in the past three years or are subject to regulatory or supervisory action by a regulatory agency?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
10	Are you currently in negotiations with any regulatory body concerning any potential settlements?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
11	Has your Company, and/or any principals or corporate officers, ever had a real estate or other professional license suspended, revoked, or received any other disciplinary action from a regulatory agency?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
12	Has your Company, and/or principals or corporate officers, been named as a defendant in a lawsuit or has any claim been asserted for alleged fraud or misrepresentation?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
13	Has your Company's approval or good standing with any state licensing authority been suspended or withdrawn within the last 5 years?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
14	Have you, or any principal, management personnel, or any other employee of the Company, ever been convicted of a crime, other than a misdemeanor traffic violation, pleaded guilty to a crime, pleaded no contest to a crime, or entered into deferred adjudication (or similar) agreement in connection with a criminal charge?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
15	Is there any pending legal action (criminal or civil) directed against your company, principals or key members of management?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
16	Does the Company and/or any of its officers, managers, directors or employees have ownership interest directly, or indirectly, in any title company, escrow company, appraisal company, closing agency/office or other real estate related companies?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
17	Are any assets pledged or debts secured except as shown on financial statement?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
18	Is Underwriting completed by a third party?	<input type="checkbox"/> Yes	<input type="checkbox"/> No



**Western Bancorp
Wholesale Seller Compensation Agreement**

This Compensation Agreement (“Agreement”) is made and entered into this ___Day of_____, 20_____, by and between Western Bancorp whose business address is 5671 Santa Teresa Blvd., Suite 100 San Jose CA 95123 and, _____, A (select one of the following)

- Corporation
- Limited partnership
- Sole
- Limited liability Company

(“Wholesale Seller”), whose business address is (please specify branch address to which this Agreement applies),

_____, and whose Company

NMLS ID is _____, collectively referred to as the parties (“Parties”).

In accordance with TILA, this Agreement establishes the agreed-upon compensation between Western Bancorp and the Wholesale Seller. Western Bancorp will offer two plans: A Borrower-Paid Plan and a Lender-Paid Plan. The Wholesale Seller may select either Plan for each loan submitted to Western Bancorp. Compensation may not come from multiple sources on each loan. Thus all compensation on each loan must be 100% borrower-paid or 100% lender-paid.

Borrower-Paid Plan

Under a Borrower-Paid Plan, the Wholesale Seller may negotiate and establish compensation directly with the borrower and will be paid by the borrower. Western Bancorp will allow Borrower Paid Compensation to be less than but never greater than the established Lender Paid Compensation plan the Wholesale Seller has on record with Western Bancorp.

Lender-Paid Plan

Under a Lender-Paid Plan, the Wholesale Seller and Western Bancorp will establish compensation as follows:

Compensation:

Compensation will be established as a percentage of the loan amount. The Wholesale Seller must pre- select one of several compensation tiers from .50 to 2.50, in increments of .125 (e.g., 1.00, 1.125, 1.25, and 1.375). Once the Wholesale Seller selects a compensation tier, that tier applies to all loans. Under a Lender-Paid Plan, compensation may not increase or decrease on each loan. Wholesale Seller may also collect a flat fee on top of the compensation tier up to 2.00%. Note: Western Bancorp has a maximum 2.50% (2.75% in Texas) Wholesale Seller compensation plus a maximum flat fee of \$795 on any transaction. Flat fees are not eligible for compensation plans exceeding 2.00%

Loan Types:

First mortgage products: Compensation cannot be determined based on a term of a transaction, or a proxy for a term or condition of a transaction. The compensation schedule entered into LMS Xpress will apply to ALL loans regardless of product.

Second mortgage products: There is no lender paid or borrower paid compensation plan available.



Western Bancorp
Wholesale Seller Compensation Agreement (Continued)

Min / Max Compensation

In addition to the compensation plans noted above, the Wholesale Seller may select one of three (3) minimum / Maximum compensation tiers.

Modifications: The Wholesale Seller cannot change plans on a per-loan basis. Wholesale Seller may choose to change the compensation indicated on the Addendum as often as every three (3) months by notifying Western Bancorp in writing.

An amended Addendum will be prepared stating the new compensation amount and must be executed by both Parties. Changes will be effective within 24 hours of Western Bancorp receiving and approving the signed amended Addendum. Once the modification to the Addendum is made, the Wholesale Seller is responsible for managing loans in his pipeline to ensure each loan still complies with all Federal, State, County and Local regulations as well as Western Bancorp's policies.

Term: This Agreement shall remain in effect indefinitely until terminated by mutual agreement or at the sole discretion of Western Bancorp. Upon termination, Wholesale Seller's compensation will immediately cease and Western Bancorp will not be obligated to pay Wholesale Seller any additional monies.

Effective Date: This Agreement is effective upon the later date of both Parties' acceptance and will be applied at the time the interest rate is set on each loan (date of lock or re-lock). If modifications are subsequently made to the Agreement and/or the Addendum, the compensation will be paid in accordance with the Agreement and/or the Addendum in effect at the time the interest rate is set for each loan (date of lock or re-lock). Subsequent modifications will not be applied to loans already locked or re-locked.

Entire Agreement: This Agreement supersedes any and all agreements, either oral or written, between the parties hereto with respect to Wholesale Seller compensation, and governs any Schedules subsequently entered into between Western Bancorp and Wholesale Seller excepting the Loan Purchase Agreement, as well as any and all Western Bancorp policies which are incorporated herein by reference and remain in full force and effect. Both Parties agree that no representations, inducements, promises, or agreements (oral or otherwise) have been made by any Party or anyone acting on behalf of any Party, which are not embodied herein; and that no other agreement, statement, or promise not contained herein shall be valid or binding. Any modification of this Agreement will be effective only if it is in writing and signed by both Parties.

Governing Law: This Agreement shall be governed by, construed and enforced under the laws of the State of California without conflict of any law. Each of the parties irrevocably submits to the jurisdiction of any state or federal court located in Santa Clara County, California, over any action, suit or proceeding to enforce or defend any right under this Agreement or otherwise arising from any transaction existing in connection with this Agreement. If any provision of this Agreement is found to be invalid, such invalidity shall not affect any other provision hereof.

Counterparts: This Agreement may be executed in counterparts, each of which shall be deemed an original, and both of which, taken together, shall constitute one and the same instrument.

Electronic Record: My transmission of this Agreement as an electronic record containing my electronic signature, as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or my facsimile transmission of this Agreement containing a facsimile of my signature, shall be as effective, enforceable and valid as if a paper version of this Agreement were delivered containing my original written signature.



Western Bancorp
Wholesale Seller Compensation Agreement (Continued)

Indemnification: Wholesale Seller indemnifies and holds Western Bancorp harmless from Wholesale Seller’s violation of TILA and accordingly agrees to cover any losses incurred by Western Bancorp, which includes but is not limited to, losses incurred through borrower’s rescission of any loan.

Compliance Certification: Wholesale Seller agrees to comply with the applicable TILA regulation as it relates to regulation mentioned above, and is in compliance with all requirements of the regulation and has established written compensation agreements with each of its originators including loan officers, producing managers and/or applicable loan processors, and will compensate these originators in accordance with the regulation.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the date written below.

Wholesale Seller _____

Western:

By Broker of Record

By: _____

Printed Name: _____

Printed Name _____

Title: _____

Title: _____

Date: _____

Date: _____

Company NMLS ID #: _____

Federal Tax ID #: _____

State Tax ID #: _____



Western Bancorp

This Addendum supplements, amends and becomes part of the Wholesale Seller Compensation Agreement (“Agreement”), dated, _____, _____, 20____ by and between Western Bancorp and (“Wholesale Seller”), and supersedes all previous Addendums.

Please select one of the following:

- We are electing only a Borrower-Paid Plan for all loans.
- We are electing only a Lender-Paid Plan for all loans (must select a tier below).
- We are electing to offer both a Borrower-Paid Plan and a Lender-Paid Plan (must select a tier below).

If you selected a Lender-Paid Plan, you may also choose the following:

In addition to the Lender-Paid Plan above, and the tier below, we would like to charge the following flat fee:
NOTE: Flat fees are not eligible for compensation plans exceeding 2.00%

- \$495 \$595 \$695 \$795

Lender-Paid Plan

Wholesale Seller selects the following compensation tier (please select only one):

<input type="checkbox"/> 0.125	<input type="checkbox"/> 0.250	<input type="checkbox"/> 0.3750	<input type="checkbox"/> 0.500	<input type="checkbox"/> 0.625
<input type="checkbox"/> 0.750	<input type="checkbox"/> 0.875	<input type="checkbox"/> 1.000	<input type="checkbox"/> 1.125	<input type="checkbox"/> 1.250
<input type="checkbox"/> 1.375	<input type="checkbox"/> 1.500	<input type="checkbox"/> 1.625	<input type="checkbox"/> 1.750	<input type="checkbox"/> 1.875
<input type="checkbox"/> 2.000	<input type="checkbox"/> 2.125	<input type="checkbox"/> 2.250	<input type="checkbox"/> 2.375	<input type="checkbox"/> 2.500

- 2.75 Available to **Texas** Wholesale Sellers

Minimum / Maximum Compensation Tiers (optional)

You may select one of the following min / max compensation tiers:

- \$1000 / \$7500 \$1200 / \$10,000 \$1500 / \$15,000

Subject to the modifications set forth herein, all other terms, conditions, and provisions of the Agreement are affirmed, incorporated herein by reference and shall remain in full force and effect. All terms not otherwise defined herein shall have the meaning specified in the Agreement.

Second mortgage products: There is no lender paid or borrower paid compensation plan available.



Western Bancorp
Wholesale Seller Compensation Addendum (Continued)

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the date written below.

Wholesale Seller _____

Western:

By Broker of Record

By: _____

Printed Name: _____

Printed Name _____

Title: _____

Title: _____

Date: _____

Date: _____

Company NMLS ID #: _____

Federal Tax ID #: _____

State Tax ID #: _____



Warehouse Lending Relationships (Complete only if applying as a Correspondent Seller)

Lender: _____ Facility Size: _____ Renewal Date: _____

Contact Person: _____ Telephone Number: _____

Lender: _____ Facility Size: _____ Renewal Date: _____

Contact Person: _____ Telephone Number: _____

Lender: _____ Facility Size: _____ Renewal Date: _____

Contact Person: _____ Telephone Number: _____

Lender: _____ Facility Size: _____ Renewal Date: _____

Contact Person: _____ Telephone Number: _____

Lender: _____ Facility Size: _____ Renewal Date: _____

Contact Person: _____ Telephone Number: _____

Investor References (Complete only if applying as a Correspondent Seller)

(Include those investors who represent the majority of your sales volumes)

Investor: _____ Telephone Number: _____

Contact Person: _____ Telephone Number: _____

Investor: _____ Telephone Number: _____

Contact Person: _____ Telephone Number: _____

Investor: _____ Telephone Number: _____

Contact Person: _____ Telephone Number: _____

Investor: _____ Telephone Number: _____

Contact Person: _____ Telephone Number: _____



Company Contacts (Complete only if applying as a Correspondent Seller)

Chief Executive Officer: _____ E-mail: _____
Telephone number: _____ Years' Experience: _____

President: _____ E-mail: _____
Telephone number: _____ Years' Experience: _____

Chief Financial Officer: _____ E-mail: _____
Telephone number: _____ Years' Experience: _____

Controller: _____ E-mail: _____
Telephone number: _____ Years' Experience: _____

Production: _____ E-mail: _____
Telephone number: _____ Years' Experience: _____

Secondary Marketing: _____ E-mail: _____
Telephone number: _____ Years' Experience: _____

Operations: _____ E-mail: _____
Telephone number: _____ Years' Experience: _____

Underwriting: _____ E-mail: _____
Telephone number: _____ Years' Experience: _____

Closing: _____ E-mail: _____
Telephone number: _____ Years' Experience: _____

Shipping: _____ E-mail: _____
Telephone number: _____ Years' Experience: _____

Final Documents: _____ E-mail: _____
Telephone number: _____ Years' Experience: _____

Warehouse: _____ E-mail: _____
Telephone number: _____ Years' Experience: _____

Quality Control: _____ E-mail: _____
Telephone number: _____ Years' Experience: _____

Compliance: _____ E-mail: _____
Telephone number: _____ Years' Experience: _____