

THIS MORTGAGE BROKER ADDENDUM TO THE WHOLESALE MORTGAGE BROKER AGREEMENT dated _____, 20__ (“Addendum”) is entered into by and between Lenox Financial Mortgage Corporation, a California Corporation dba: WesLend Financial and WesLend Financial Mortgage Corp. (“WesLend”), and _____ (“Mortgage Broker”).

1. TERM

Mortgage Broker’s Compensation Plan under this Addendum shall continue unless and until terminated pursuant to Section 8 of the Wholesale Mortgage Broker Agreement, Section 2 of this Addendum or Section 3 of this Addendum. Any change to the Mortgage Broker’s Compensation Plan will require the execution of a new Addendum between WesLend and Mortgage Broker.

2. COMPENSATION

- a) WesLend shall compensate the Mortgage Broker as outlined in Section 4 below. Mortgage Broker shall compensate its employees in compliance with all required regulations.
- b) WesLend reserves the right to modify, suspend or discontinue any and all compensation plans as described above, at any time and at its sole discretion, without notice to or recourse by Mortgage Broker.

3. FREQUENCY OF CHANGE

WesLend will permit changes to the Mortgage Broker Compensation Plan every calendar quarter (January 1, April 1, July 1 and October 1). Any change to the Mortgage Broker Compensation Plan will require the execution of a new Addendum between WesLend and Mortgage Broker. Changed compensation applies the first business day of the calendar quarter. WesLend must receive the change ten (10) business days in advance of the new calendar quarter. WesLend holds Mortgage Broker responsible to ensure proper lender paid compensation for each loan submitted. Changed compensation takes effect for all loans submitted on or after the changed date.

4. MORTGAGE BROKER COMPENSATION PLAN

A. LENDER PAID

- I. When Mortgage Broker elects Lender Paid compensation, Mortgage Broker agrees to the following:
 - Compensation will be paid by WesLend to the Mortgage Broker.
 - The Mortgage Broker will not receive more or less than the established compensation plan as set by this Addendum.
 - The Mortgage Broker will not receive compensation from any other party, including Mortgage Broker affiliated companies.
 - The Mortgage Broker must establish Loan Originator compensation agreements for its employees who act as loan originators, and such compensation must not vary based on loan terms or conditions other than loan amount or must not function as a proxy for such terms or conditions.
 - Payments to loan originators based on prohibited loan terms or conditions or a proxy for loan terms or conditions are not allowed.
 - Third party fees may not be paid by the Mortgage Broker. The Borrower may pay for *bona fide* and reasonable third party costs by paying cash at closing, or by financing them through the loan principal or interest rate.
 - Seller paid compensation is deemed consumer paid compensation and not lender paid. If the seller or any other party is paying Mortgage Broker compensation, WesLend will not pay Mortgage Broker.

II. The Following Compensation Plans are available:

- Mortgage Broker selects the following lender paid compensation plan and flat fee dollar options

Lender Paid Option	Flat Fee Dollar Options		No Flat Fee Option
<input type="checkbox"/> 1.000%	<input type="checkbox"/> \$500	<input type="checkbox"/> \$750	<input type="checkbox"/> No Flat Fee
<input type="checkbox"/> 1.125%	<input type="checkbox"/> \$500	<input type="checkbox"/> \$750	<input type="checkbox"/> No Flat Fee
<input type="checkbox"/> 1.250%	<input type="checkbox"/> \$500	<input type="checkbox"/> \$750	<input type="checkbox"/> No Flat Fee
<input type="checkbox"/> 1.375%	<input type="checkbox"/> \$500	<input type="checkbox"/> \$750	<input type="checkbox"/> No Flat Fee
<input type="checkbox"/> 1.500%	<input type="checkbox"/> \$500	<input type="checkbox"/> \$750	<input type="checkbox"/> No Flat Fee
<input type="checkbox"/> 1.625%	<input type="checkbox"/> \$500	<input type="checkbox"/> \$750	<input type="checkbox"/> No Flat Fee
<input type="checkbox"/> 1.750%	<input type="checkbox"/> \$500	<input type="checkbox"/> \$750	<input type="checkbox"/> No Flat Fee
<input type="checkbox"/> 1.875%	<input type="checkbox"/> \$500	<input type="checkbox"/> \$750	<input type="checkbox"/> No Flat Fee
<input type="checkbox"/> 2.000%	<input type="checkbox"/> \$500	<input type="checkbox"/> N/A	<input type="checkbox"/> No Flat Fee
<input type="checkbox"/> 2.125%	<input type="checkbox"/> \$500	<input type="checkbox"/> N/A	<input type="checkbox"/> No Flat Fee
<input type="checkbox"/> 2.250%	<input type="checkbox"/> \$500	<input type="checkbox"/> N/A	<input type="checkbox"/> No Flat Fee
<input type="checkbox"/> 2.375%	No flat amount permitted	No flat amount permitted	No flat amount permitted
<input type="checkbox"/> 2.500%	No flat amount permitted	No flat amount permitted	No flat amount permitted
<input type="checkbox"/> 2.625%	No flat amount permitted	No flat amount permitted	No flat amount permitted
<input type="checkbox"/> 2.750%	No flat amount permitted	No flat amount permitted	No flat amount permitted

- No flat fee amount permitted for the 2.500%, 2.625% and 2.750% Compensation selections.

- Mortgage Broker selects the following minimum dollar thresholds:
 - No minimum dollar thresholds selected.
 - Minimum of \$1,500.
- Mortgage Broker selects the following maximum dollar thresholds:
 - No maximum dollar thresholds selected.
 - Maximum of \$10,000.
 - Maximum of \$15,000.

B. BORROWER PAID

When Mortgage Broker elects Borrower Paid Compensation, Mortgage Broker will negotiate its fees and origination points directly with the borrower and agrees to the following:

- Mortgage Broker fees must comply with State and Federal statutes and regulations and must not meet or exceed any “high-cost” thresholds or similar limits set by Fannie Mae, Freddie Mac, FHA, VA or other governmental or quasi-government agency.
- The borrower must pay Mortgage Broker fees and originations points by either bringing cash to the closing table or by financing them into the loan transaction.
- The borrower may choose a rate that will allow the borrower to receive a Lender Credit towards closing costs. This credit cannot and will not be used to pay any portion of Mortgage Brokers compensation and Mortgage Broker will not retain any portion of the Lender Credit as compensation. The borrower may choose to pay discount points to WesLend to lower their interest rate.
- Mortgage Broker may reduce the fees negotiated with the borrower in order to comply with state and federal laws and regulations ONLY if the Mortgage Broker elected Borrower Paid Compensation.
- Compensation paid directly by the borrower to the Mortgage Broker cannot exceed the Lender Paid compensation plan selected by the Mortgage Broker, and appearing in this Compensation Agreement.

4. ANTI-STEERING PROVISION

Mortgage Brokers must not steer consumers to loans in the best interest of Mortgage Broker or its employees. Mortgage Brokers must present a minimum of three (3) loan options, in writing to the consumers to avoid “steering” them into a particular product. These loan options must be from lenders with which the Mortgage Broker is actively doing business, however they do not have to be from multiple lenders, if the consumer is likely to qualify, for a loan from only one lender.

For each type of loan (fixed rate, variable rate or reverse) in which the consumer expresses an interest, the Mortgage Broker must present loan options that include the following:

- The lowest interest rate.
- The lowest total dollar amount for origination points and fees and discount points.

- The lowest interest rate on a loan with no risky features, such as a prepayment penalty, interest-only payments, negative amortization, a demand feature, shared equity or appreciation, or a balloon payment in the first seven years.

Each of the options must be a loan for which the Mortgage Broker reasonably and in good faith believes the consumer would likely qualify. WesLend requires the Mortgage Broker to submit an anti-steering disclosure with all loan packages at time of submission.

5. PLAN AGREEMENT

This Addendum does not create any expressed or implied contract of employment between the Mortgage Broker and WesLend, and both WesLend and the Mortgage Broker retain the right to terminate the relationship at any time with or without cause.

This Addendum shall immediately terminate upon the delivery of either a verbal or written notice of voluntary termination, or the date of involuntary termination by WesLend.

WesLend retains the right to amend, modify or terminate the Addendum at any time and for any reason it deems sufficient.

Exceptions to the Addendum must be approved by the President of WesLend or his/her designee.

Except as specifically modified and amended by this Addendum that certain Wholesale Mortgage Broker Agreement between the parties remains in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Addendum on the date first written above.

WESLEND

MORTGAGE BROKER

Signature

Signature

Printed Name

Printed Name