



FIXED PRICING POLICY/DEPOSIT POLICY

I. FIXED PRICE POLICY:

Overview: PFA, Piccone Financial Assoc., LLC (“PFA”) offers to its Originators a fixed price (the “Fixed Price”) for the package of loan origination and third party processing services (“Loan Processing Package”) and the package of loan closing, settlement and processing services (the “Loan Closing Package”) (collectively, the “Bundled Loan Services Package”—see Exhibit 1). The Fixed Price is ONLY available for the Bundled Loan Services Package. The Fixed Price and the services provided under the Bundled Loan Services Package may be modified by PFA from time to time at its sole discretion.

Please note that the Bundled Loan Services Package is a group of services offered by third party vendors not PFA. Whereas PFA has negotiated the Fixed Price for PFA clients, PFA is not responsible for and shall have no liability whatsoever for the quality of the services provided by the third party providers. Further, purchasing the Bundled Loan Services Package does not provide any assurance to the Originator or Borrower that PFA will approve and/or purchase a related loan.

Title and Recording Costs: The Fixed Price and services provided under the Bundled Loan Services Package does not include title and recording costs and charges (the “Title and Recording Costs” –see Exhibit 2 which sets forth many of the costs and charges included as part of the Title and Recording Costs). The Title and Recording Costs will be paid by the borrower at the mortgage loan closing (the “Closing”)

Fixed Price Exceptions: There are exceptions to the Fixed Price for certain property types and additional fees and expenses for certain mortgage loans (see Exhibit 3).

In-System/Out-of-System Title: As noted below the Fixed Price assumes that the Originator orders the Bundled Loan Service Package which includes “In-System Title”. “In-System Title” refers to title and recording that are ordered through CBAC’s service provider, while Out-of-System Title refers to title and recording ordered independently of CBAC’s service provider. There will be an additional “add-on” to the Fixed Price equal to \$1,250 for Out-of-System Title

Fixed Price: The current Fixed Price for the Bundled Loan Services Package shall equal:

➤ **For Bundled Loan Services Package ordered with In-System Title:**

The greater of (i) \$6,000 or (ii) one half of one percent (0.50%) plus \$1250.00 of the related mortgage loan principal amount, up to a maximum amount of \$9,800.

➤ **For Bundled Loan Services Package ordered with Out-of-System Title:**
Add-on for Out-of-System Title review fee of \$1,250.

- **Amounts added to the Fixed Price;**
 - Title and Recording Costs
 - Fixed Price Exceptions

II. DEPOSIT POLICY:

Overview: PFA will not begin to review a loan and no services may be ordered unless and until the required Deposit is paid. Further, PFA reserves the right in its sole discretion return the Deposit and refuse to consider a loan application at any time for any reason.

FURTHER, PFA RESERVES THE RIGHT TO REQUIRE AN INCREASED DEPOSIT AT ANY TIME DURING THE LOAN PROCESSING (USUALLY, THE REQUIREMENT FOR AN INCREASED DEPOSIT SHALL OCCUR WHEN THE APPRAISAL PRICING IS DETERMINED). ALTHOUGH THE ORIGINATOR IS NOT OBLIGATED TO POST THE INCREASED DEPOSIT WHEN REQUESTED BY PFA, IF THE ORIGINATOR SHALL NOT POST SUCH INCREASED DEPOSIT WHEN REQUESTED, PFA RESERVES THE RIGHT TO RETURN THE DEPOSITS THERETOFORE PAID AND CEASE TO PURSUE APPROVAL OF THE RELATED LOAN.

NOTE: PRIOR TO THE EXECUTION OF A CONFIRMATION BY PFA AND THE ORIGINATOR, AND PROVIDED THAT THE PARTIES HAVE NOT ENTERED INTO A RATE LOCK AGREEMENT OR OTHER WRITTEN AGREEMENT AGREEING OTHERWISE, THE DEPOSIT SHALL BE THE ORIGINATOR'S MAXIMUM LIABILITY FOR THIRD PARTY SERVICES IF THE LOAN DOES NOT CLOSE FOR ANY REASON

Deposit Amount: When the Bundled Loan Services Package (whether In-System Title or Out –of System Title) is ordered for loan amounts of \$250,000 or greater, the Originator must deposit the *greater* of (i) \$6,000, or (ii) one half of one percent (0.50%) plus \$1250 of the related mortgage loan principal amount, up to a maximum amount of \$ 9,800 as an upfront deposit (the “Deposit”). THE BALANCE OF THE FIXED PRICE IN EXCESS OF THE DEPOSIT WILL BE DUE AT TIME OF THE CLOSING. PFA RESERVES THE RIGHT TO REQUEST AN INCREASED DEPOSIT AMOUNT AT ANY TIME DURING THE PROCESSING OF THE LOAN.

When the Bundled Loan Services Package is ordered for loan amounts of less than \$250,000, the Originator must deposit *the full amount of the fixed price (\$6,000)* as an upfront deposit (the “Deposit”)

III. EXAMPLES OF FIXED PRICE AND DEPOSIT POLICY:

Fixed Price and Deposit Example: \$1.5 million loan amount:

(1) Fixed Price for In-System Title = \$8,750 (0.50% x \$1.5 million plus \$1250) plus actual Title and Recording costs, plus Fixed Price Exceptions.

The Deposit for the Fixed Price example above = \$6,000 (maximum deposit amount) and is due when the Bundled Loan Services Package is ordered. A balance of \$1,500 remains in addition to the actual Title and Recording Costs, plus Fixed Price Exceptions. Please note that after the appraisal pricing is determined, PFA may require that the Deposit be increased by an amount up to \$1,500 (the balance up to the total Fixed Price of \$9800). Title and Recording costs, plus

Fixed Price Exceptions, if any, will be in addition to the Fixed Price and will be collected at closing.

(2) Fixed Price for Out-of-System Title = \$10,000 (0.50% x \$1.5 million + \$1,250 + \$1250 Out-of-System Review Fee) plus actual Title and Recording Costs, plus Fixed Price Exceptions.

The Deposit for the Fixed Price example above = \$6,000 and is due when the Bundled Loan Services Package is ordered. A balance of \$2,750 remains in addition to the actual Title and Recording Costs, plus Fixed Price Exceptions and is due at the Closing.

If a Closing fails for any reason, the maximum financial exposure to the Originator/borrower for the Bundled Loan Services Package will be the Deposit (note PFA may request an increased Deposit as provided for above). If a mortgage loan is not closed, unused amounts of the Deposit, if any, will be returned to the Originator.

Fixed Price and Deposit Example: \$300,000 loan amount:

(1) Fixed Price for In-System Title = \$6,000 (greater of i) 0.50% x \$300,000 + 1250, or ii) \$6,000) plus actual Title and Recording Costs, plus Fixed Price Exceptions.

The Deposit for the Fixed Price example above = \$2,500 and is due when the Bundled Loan Services Package is ordered. A balance of \$2,300 remains in addition to the actual Title and Recording Costs, plus Fixed Price Exceptions and is due at the Closing. Please note that after the appraisal pricing is determined, PFA may require that the Deposit be increased by an amount up to \$2,300 (the balance up to the total Fixed Price of \$4,800). Title and Recording costs, plus Fixed Price Exceptions, if any, will be in addition to the Fixed Price and will be collected at closing. If the Loan was for a principal amount of \$250,000 or less, the Deposit would be \$4,800 (i.e. the full amount of the Fixed Price).

(2) Fixed Price for Out-of-System Title = \$6,050 (greater of (i) 0.50% x \$300,000, or (ii) \$4,800 + \$1,250 Out-of-System Review Fee) plus actual Title and Recording Costs, plus Fixed Price Exceptions.

The Deposit for the Fixed Price example above = \$2,500 and is due when the Bundled Loan Services Package is ordered. A balance of \$3,550 remains in addition to the actual Title and Recording Costs, plus Fixed Price Exceptions and is due at the Closing.

If a Closing fails for any reason, the maximum financial exposure to the Originator/borrower for the Bundled Loan Services Package will be the amount of the Deposit. If a mortgage loan is not approved, unused amounts of the Deposit, if any, will be returned to the Originator.

Fast Track/Standard Process: Every mortgage loan will be fast tracked (all services ordered at once) unless the Originator requests “standard processing”. If “standard processing” is elected, only the appraisal, building inspection and preliminary title search services will be performed until the Originator orders the remaining services of the Bundled Loan Services Package, generally after the mortgage loan receives PFA underwriting approval. Standard processing limits the amount of money expended before the mortgage loan is approved by CBAC, but lengthens the time to close. There is no assurance that the actual costs for standard processing will not result in the incurrence of costs equal to or in excess of the Deposit, and as noted above the Originator is responsible (even if the related loan does not close and/or is not approved) for any cost incurred in excess of the Deposit up to the Fixed Price amount.

EXHIBIT 1

Bundled Loan Services Package

Loan Processing Package:

1. Property Services:
 - Appraisal
 - Property Inspection Report
 - Environmental Insurance

Loan Closing Package:

1. Closing Services:
 - Title Search and Review (additional cost title search included in Title and Recording Cost)
 - Title Commitment/Title Policy with program specific endorsements and review (additional cost for title premium /endorsements included in Title and Recording Cost)
 - UCC Lien Search and review (additional cost for search included in Title and Recording Cost)
 - Bankruptcy Search and review (additional cost for search included in Title and Recording Cost)
 - Flood Search and review (additional cost for search included in Title and Recording Cost)
 - Patriot Search search and review (additional cost for search included in Title and Recording Cost)

 - Municipal/Departmental Search and review (additional cost for search included in Title and Recording Cost)
 - Survey Review (additional cost for survey included in Title and Recording Cost)
 - Certificate of Occupancy and Zoning Compliance Review (additional cost of search included in Title and Recording Cost)
 - Verify Insurance (property, liability, and flood)
 - Verify Good Standing/Authority (cost of obtaining good standing certificates, qualifications and other public documents included in Title and Recording Cost.
 - Entity Due Diligence (cost of obtaining good standing certificates, qualifications and other public documents included in Title and Recording Cost.
 - Tax Certification
 - Order Lien and Mortgage Payoffs, Payoff Prior Mortgage
 - Closing Coordination, Attendance
 - Closing Schedule/Checklist
 - Recording and document delivery to custodian
2. Legal/Escrow Services
3. Program Legal Documents Provided:
 - Promissory Note
 - Mortgage/Deed of Trust
 - Assignment Documents
 - Environmental Indemnity
 - Commercial Purpose Affidavit
 - Compliance Affidavit
 - Guaranty (if applicable)
 - Insurance Notice
 - Disbursement Letter
 - Closing Statement
 - State specific affidavit/disclosure/notice for Commercial Loans
 - Specialized Legal Documents (i.e. consolidation documents—see added charges for FixedPriceExceptions)

EXHIBIT 2

Certain Title and Recording Costs

(a) Title Service (1):

Title search	\$495
Title insurance premium	Fixed by State (3)
Title endorsement cost	Fixed by State (3)
Flood search	\$15
Property survey endorsement	State specific
A survey will be required where an endorsement is not available (8)	Project Specific

(b) Municipal Search/Compliance/Zoning:

Building code search	\$250
Zoning compliance	Included (6)
Certificate of occupancy	Included (7)
Corporate document search	Statutory fee (4) (5)

(c) Recording:

Mortgage recording tax	Fixed by State (2)
Recording fees/miscellaneous	\$125

- (1) All prices are estimates only and are subject to change without notice.
- (2) Currently, mortgage tax is only an issue in the following states: AL, DC, FL, GA, KS, MD, MN, NY, OK, TN and VA.
- (3) Title Insurance premiums and Title Insurance endorsement requirements vary by state.
- (4) Corporate document search fees vary by state.
- (5) In most jurisdictions, the Loan Closing Package includes available survey and zoning endorsements. PFA will rely upon these in lieu of requiring surveys and/or opinions of counsel.
- (6) There will be additional charges if the municipal search does not indicate that the related property is in compliance with zoning.
- (7) There will be additional charges if the municipal search does not indicate that the related property does not have a valid certificate of occupancy for the use contemplated loan, or if the municipal search reveals any violations.
- (8) Surveys will be required in the following states : _____

EXHIBIT 3
Additional Fees

- (1) There will be the following additional fees added to the Fixed Price for the following property types:
 - (a) mobile home parks-- \$500 (note there may be an appraisal add on as well—Project Specific) ;
 - (b) self storage facilities-- \$500(note there may be an appraisal add on as well—Project Specific);
 - (c) condominiums-- \$500-1000 (Project Specific) (note there may be an appraisal add on as well—Project Specific);
 - (d) cooperatives --Project Specific(note there may be an appraisal add on as well—Project Specific); or
 - (e) any other mortgage loan deemed by PFA, in its sole discretion, to represent an exception to the Underwriting Guidelines—Project Specific (PFA will endeavor to notify Originator of additional fees as soon as the special circumstances are identified).

- (2) There will be additional fees added to the Fixed Price for specialized processing including, but not limited to the following:
 - (a) mortgage consolidations -- \$500 for one consolidated mortgage plus \$200 for each additional mortgage included as part of the consolidation ;
 - (b) cross collateralizations – if all properties are in one county \$500 per property (note there may be an appraisal add on as well—Project Specific) ;
 - (c) additional collateral grants—Project Specific;
 - (d) partial releases—Project Specific
 - (d) special legal structuring--Project Specific
 - (f) (e) additional work required if a mortgage party does not meet a closing checklist requirement (i.e. no certificate of occupancy is readily available; municipal violations exist; multiple liens or judgments exist) —Project Specific (PFA will endeavor to notify Originator of additional fees as soon as the special circumstances are identified)
 - (f) additional work for mortgage loans that do not close through no fault of PFA and are rescheduled to close (“document redraft fee”)—minimum \$250 (please check terms of Rate Lock Agreement and the Confirmation for the related loan); or
 - (g) (g) any other specialized processing that PFA deems, in its sole discretion, warrants an additional fee—Project Specific (PFA will endeavor to notify Originator of additional fees as soon as the special circumstances are identified).

As noted above, the Originator shall be notified of any additional fee as soon as reasonably possible and the additional fee may be required to be paid prior to the commencement of any work. However, failure to provide notice of an additional fee at the time of an order shall not prevent the imposition of an additional fee at a later date.