

CLOUT WMB
MORTGAGE BROKER AGREEMENT

This Mortgage Broker Agreement (the “Agreement”), is made and entered into as of _____, 2025, by and between CLOUT WMB, a Division of Cliffco, Inc. (“Lender” or “CLOUT”) and _____ (“Broker”) located at _____ (collectively referred to as the “Parties”).

RECITALS

1. Broker is engaged in the business of originating residential mortgage loans as a mortgage broker and is either a sole proprietorship or employs licensed mortgage loan originators.
2. Lender extends credit to qualified borrowers for residential mortgage loans.
3. The Parties wish to establish a non-exclusive relationship whereby Broker will submit residential mortgage loan application packages (“Loans”) to Lender on behalf of Broker’s clients (“Borrowers”) for possible funding by Lender.
4. The Parties wish to enter into this Agreement to set forth the terms of their non-exclusive relationship. This Agreement applies to all submissions by Broker to Lender. Notwithstanding any other agreement or understanding to the contrary, each term of this Agreement is intended to supersede any prior Broker agreements or understandings governing the relationship between the parties, if any, that existed before this Agreement was executed. Upon reasonable notice, Broker will make commercially reasonable efforts to retroactively comply with any changes to the terms of this Agreement with regard to loan applications submitted to Lender prior to effective changes.

NOW THEREFORE the Parties agree as follows:

AGREEMENT

1. **Primary Obligations of Broker**
 - 1.1 From time to time, Broker may submit Loans with supporting documentation to Lender in compliance with representations and warranties in this Agreement and the Lender’s lending policies and guidelines, including announcements, memoranda, permissible fee schedules, and other communications to Broker (“Guidelines”). Lender may amend its Guidelines and submission requirements from time to time in its sole discretion. Upon receipt by Lender, the contents of all Loans submitted to Lender shall immediately become the property of Lender, and all information contained therein may be subject to Lender’s independent verification and use.
 - 1.2 Pursuant to this Agreement, Broker will perform the following broker services with respect to all Loans submitted by Broker to Lender. Broker shall:
 - a) Take an application for the Borrower.
 - b) Analyze the Borrower’s income and debt and pre-qualify the borrower to determine if the Borrower may qualify.

- c) Educate the Borrower in the home buying and financing process, advise the Borrower about the different types of loan products available, and demonstrate how closing costs and monthly payments would vary under each product;
 - d) Collect financial information (credit reports, tax returns, bank statements, verifications of deposit, etc.) and other related documents that are part of the application process;
 - e) Initiate/order verifications of employment and verifications of deposit;
 - f) Initiate/order requests for mortgage and other loan verifications;
 - g) Initiate appraisal orders;
 - h) Determine whether the property is located in a flood zone and order such service; and
 - i) At the Broker's option, participate in the Loan closing.
- 1.3 Broker shall submit Loans for Borrowers that contain all required documentation necessary for Lender to render a decision as to whether to approve a Borrower's loan application. Further, credit, income and deposit verification documents shall never come into the possession, custody or control of the Borrowers. Broker shall furnish Lender with any credit, financial, and other information of the Borrower, as required by Lender, at no expense to Lender.
 - 1.4 Broker shall provide such information as Lender may reasonably request to assist Lender in marketing the Loans to secondary market investors.
 - 1.5 Broker shall assist the Borrower in understanding and clearing credit problems.
 - 1.6 Broker shall timely deliver Lender's anti-steering disclosure, providing alternative loan options to each consumer on Loans to meet the safe harbor provisions of Regulation Z.
 - 1.7 Broker shall maintain regular contact with the Borrower, realtors, Lender, between application and closing to apprise them of the status of the application and gather any additional information as needed.
 - 1.8 Broker shall make reasonably diligent inquiry of each Borrower regarding the statements and information contained in the Loan to determine whether the Loan contains any false or misleading statements, or omits any material facts, which render any documents contained in the Loan inaccurate or false. Broker shall promptly inform Lender of any such findings orally and in writing. A "material fact" is any information upon which Lender could reasonably rely in performing its underwriting function in connection with the decision to approve or deny the Loan.
 - 1.9 Broker shall fully assist and cooperate in any fraud investigation initiated by Lender, its secondary market investors or regulators.
 - 1.10 Broker shall notify Lender of any potential conflicts of interest arising from the Loan.
 - 1.11 Broker shall perform such other services as Lender shall require in its sole discretion, in order to close and fund the Loan.

2. Broker's Authority

- 2.1 Broker shall not be the agent, representative, or employee of Lender. Broker's relationship with Lender shall be only for the purpose of collecting information and preparing and submitting Loans to Lender. Broker shall have no authority to enter into a binding loan contract on Lender's behalf or to bind Lender in any way. Lender shall have the absolute right to establish the loan rates charged to borrowers, the terms and conditions for such Loans, and all charges relating to such Loans. Broker may, however, suggest possible terms and conditions to borrowers. Broker shall not use Lender's name, logo, or service marks for any purpose without Lender's written permission. Broker shall comply with Lender's Guidelines that it may distribute from time to time concerning interest rates and lock-ins that apply to a particular mortgage loan program offered by Lender.
- 2.2 Broker shall clearly represent to all Borrowers that Broker submits Loans to Lender for Lender's review and evaluation, that Broker has no authority to approve Loans, and that Lender has sole and absolute discretion to approve and fund Loans. Broker shall clearly represent to all Borrowers that Broker has no authority to enter into a binding loan contract on Lender's behalf or to bind Lender in any way, including the fact that Broker may not lock in any rate or other loan term without Lender's express written approval. Further, Broker shall clearly represent to all Borrowers that Broker is acting only as a conduit for submission of Loans to Lender on behalf of Borrowers.
- 2.3 Broker is an independent contractor, and, except as otherwise provided in this Agreement, Broker shall have full responsibility for determining the methods and means of performing the activities contemplated by this Agreement and complying with the requirements, duties and warranties contained herein.

3. Lender Duties.

- 3.1 The decision to underwrite or approve any Loan shall be within the Lender's sole discretion. Nothing in this Agreement shall be construed as creating any obligation on the part of the Lender to accept, underwrite, approve, or close a Loan. Broker shall not represent that Lender has approved or will approve any Loan unless and until Broker is so informed by Lender in writing.
- 3.2 Lender and Broker agree that Lender may rely on the information submitted by Broker for each Loan. All information submitted by Broker to Lender is subject to Lender's independent verification. Lender's independent verification (or lack thereof) of such information shall not reduce, waive, or otherwise modify Broker's representations and warranties or of the rights or remedies provided hereunder for any breach.
- 3.3 If a Loan meets Lender's underwriting conditions, it may issue a commitment or other comparable document in its name setting out the terms and conditions under which it will close the Loan. Upon such issuance, Lender shall proceed to close the Loan under the terms and conditions of the commitment or other comparable document. Broker shall provide such assistance as reasonably requested by the Lender in order to close the Loan in accordance with this Agreement.

4. **Fees**

- 4.1 For services rendered by Broker in accordance with Section 1 of this Agreement, Lender shall pay Broker ____ basis points of the total loan amount of loans which Lender approves and subsequently funds, with a maximum compensation of \$ ____ on any loan. No fee shall be owed from Lender to Broker on any proposed Loan that is not closed and funded by Lender. No fee shall be owed from Lender to Broker on any closed loan that is a borrower paid transaction.
- 4.2 In accordance with all applicable state and federal laws and regulations, Broker shall disclose its lender paid compensation to each Borrower and obtain a duly executed mortgage loan origination agreement between Borrower and Broker.

5. **Broker's Representations and Warranties**

Broker represents and warrants to Lender, at the time of execution of this Agreement and at the time any Loan is submitted to Lender and at the time Loan is closed and funded, that:

- 5.1 Broker is duly organized, validly existing and in good standing under the laws of the state of _____. Broker is registered or qualified to do business in the state of _____. Broker has the requisite power, authority, and legal capacity to enter into and perform its obligations under this Agreement. Broker has taken all necessary action to authorize the execution, delivery, and performance of this Agreement. Broker's execution, delivery, and performance of this Agreement will not conflict with or result in a breach of any terms, conditions, or provisions of applicable laws or Broker's articles of incorporation, charter, by-laws, partnership agreement, or other organization documents, any agreement to which it is a party, or any court order, judgement or decree to which it is subject. Broker's participation is in the ordinary course of Broker's business. Broker, and its loan officers, have all power and authority and all government licenses, authorizations, consents and approval to transact business in which it is engaged and proposes to engage. Broker hereby agrees to indemnify, defend, and hold Lender harmless for, from and against any and all losses, damages, cost, expenses, attorney's fees, claims, causes of action, lawsuits, proceedings, judgments, settlements, and awards arising from or in any way related to the Broker or any of its loan officers operating without a loan originator license. This indemnity shall survive the termination of this agreement.

These warranties apply to the licenses, registrations, permits and authorities required in each jurisdiction in which property intended to secure Loans that are submitted by Broker is located.

Broker shall immediately notify Lender of any change to its status, and any change or modification to the status of any loan officer or other person employed or utilized by Broker.

- 5.2 Broker is in compliance with all state and federal laws and regulations relating to the activities contemplated by this Agreement. Broker is in compliance with, and understands all requirements related to the making of each Loan, including but not limited to the Equal Credit Opportunity Act and Regulation B, Truth-in-Lending Act and Regulation Z (including, without limitation, the timing and disclosure requirements under the TILA-RESPA Integrated Disclosure Rule (TRID)), Real Estate Settlement Procedures Act and Regulation X, Fair Credit Reporting Act and Regulation V, Home Mortgage Disclosure Act and Regulation C, Flood Disaster Protection Act, Fair Housing Act, S.A.F.E. Act and Regulation G, Mortgage Acts and Practices Act (Regulation N), Fair Housing Act and all other federal and state nondiscrimination housing laws and regulations, Dodd-Frank Wall Street Reform and Consumer Protection Act (including title X

thereof, the Consumer Financial Protection Act) and the applicable regulations thereunder, US Patriot Act, Gramm-Leach-Bliley Act and Regulation P thereunder, state mortgage broker laws, and all other state, federal, and agency requirements applicable to Broker, including those governing fraud, broker and loan originator compensation, consumer credit transactions, state licensing, and predatory and abusive lending, as amended from time to time. No Loan submitted by Broker shall constitute a transaction which would be subject to coverage under the Home Ownership and Equity Protection Act (“HOEPA”) or Section 32 of Regulation Z of the Truth-in-Lending Act or which would otherwise be considered a “high rate” or “high cost” loan under applicable state law.

- 5.3 The initial filing of the Borrower’s application for each Loan has been made with the Broker. No loan brokers or loan processors other than the Broker, its employees or its duly authorized agents or contractors have been involved in arranging or originating the Loan.
- 5.4 All information collected in connection with the Borrower’s application has been collected directly by Broker. Broker warrants that no verification of employment, verification of deposit and credit reports are handled by the Borrower or any interested third party.
- 5.5 Broker has documented and originated each loan in a prudent manner and in compliance with the applicable credit standards, terms and/or conditions of federal and state agencies, and/or Lender and in accordance with all applicable lending and other laws, and in accordance with the Guidelines.
- 5.6 Broker obtained all of the information from borrower either in person, by telephone, internet or e-mail and that all of the information entered on the application by the Broker is an accurate record of the information provided by the borrower.
- 5.7 Broker understands Lender may sell the Loans to investors in the secondary market. In submitting Loans to Lender, Broker is in full compliance with all pertinent requirements, as applicable, of Fannie Mae, Freddie Mac, USDA, FHA, and VA.
- 5.8 Except as previously disclosed by Broker to Lender in writing, there are no pending or, to the best of Broker’s knowledge, threatened any civil or criminal law suit or action, or administrative, arbitration, mediation or other proceeding or governmental investigation (including an allegation of fraud by another lender) against Broker or its current or former owners, agents, or employees which could have a materially adverse effect on the Broker’s business, assets, financial condition or reputation.
- 5.9 Broker shall not have any direct or indirect ownership interest in any third-party vendors providing services with respect to the Loans, including but not limited to, any settlement service providers, notary, credit reporting services, real estate agents, appraisers, or title or escrow agents involved in the Loans unless otherwise disclosed to Lender. Broker shall not act as the real estate agent representing the buyer or seller in connection with the Loans or conduct any settlement services related to the Loans. Broker shall disclose to Lender in writing upon submission of the Loan any and all personal or monetary involvement relating in any way to the Loan.
- 5.10 Broker does not compensate any of its loan officers or other employees that meet the definition of loan originator, as defined in the Truth in Lending Act and Regulation Z, in any manner that is out of compliance with federal and state regulations, including the loan originator compensation rules.

- 5.11 Broker shall immediately notify Lender of any substantial change in the management or ownership of Broker. Broker shall immediately notify Lender of any substantial change in Broker's financial condition that may have a material impact on the terms of this Agreement.
- 5.12 Broker has complied with the anti-steering requirements of Regulation Z and any related Guidelines as required by Lender, and has delivered Lender's anti-steering disclosure for each Loan.
- 5.13 Broker maintains an effective Quality Control program and Compliance Management System designed to prevent violations of federal consumer financial law and associated consumer harm. Lender has the right to audit such programs, findings and other internal processes in accordance with Section 12.3 of this Agreement.
- 5.14 Broker has complied with the fair lending requirements of the Fair Housing Act, Equal Credit Opportunity Act, and all other applicable federal, state, and local laws, rules and regulations pertaining to fair lending.

6. Remedies Available to Lender

Lender shall have the following remedies, which it may exercise individually or collectively:

- 6.1 Upon Broker's breach of any obligation, representation, warranty or covenant under this Agreement, Lender may exercise any rights it may have under this Agreement.
- 6.2 Upon the occurrence of a Repurchase Event, Lender may require Broker to repurchase a Loan from Lender. A Repurchase Event means: 1) any covenant, condition, term, obligation, representation or warranty related to such Loan contained in this Agreement is false or incorrect when made; 2) any receipt by Lender of a demand or notice of repurchase or incurable deficiency from any investor that is the result of a defect in the Loan due to acts or omissions of Broker; or 3) the discovery of any fraud, misrepresentation, or omission by Broker in the origination of the Loan.
- 6.3 Lender shall send notice to Broker of any demand for purchase or repurchase. Within twenty (20) days of receipt of Lender's notice, Broker shall repurchase Loan from Lender. The repurchase price for any Loan that Broker is required to repurchase from Lender shall be an amount equal to (i) the then unpaid principal balance of the Loan on the date of repurchase, plus accrued interest; (ii) all advances made under the Loan or note and/or mortgage, including without limitation taxes and fees; (iii) any compensation paid by Lender to Broker on such loan; and (iv) any and all direct expenses (including, but not limited to attorney's fees) incurred by Lender for any actions taken by it concerning, as a result of, or in connection with, any of the events or circumstances set forth herein as cause for repurchase. Lender's exercise of its right to have Broker repurchase any Loan shall be in addition to, and not in lieu of, any other rights or remedies which Lender may have against Broker. Lender's right to demand repurchase shall not be released, waived, limited, or mitigated by the fact that the property securing the subject Loan has been foreclosed upon or liquidated and said property has been acquired by Lender or a third party, or by any delay in any enforcement action with respect to the subject Loan.
- 6.4 Notwithstanding the foregoing, and in lieu of requiring repurchase, Lender may, at its sole discretion, permit Broker to reimburse Lender for any loss and/or expenses incurred by Lender as a consequence of the occurrence of an event requiring repurchase. The determination by Lender of the nature and amount of such losses and/or expenses shall be final, conclusive and binding. Broker shall remit to Lender the funds necessary to satisfy its obligations hereunder within twenty (20) business days from demand of such funds by Lender.

- 6.5 Lender may demand that Broker refund Lender for the amount paid by Lender to Broker on any Loan submitted to Lender by Broker that results in an early payment default or early pay off within six (6) months of Lender's sale of such Loan to any investor. Lender will notify Broker of such Loans and the amount to be paid by Broker. Within thirty (30) days of receipt of Lender's notice, Broker shall pay to Lender the amount set forth in Lender's notice to Broker.
- 6.6 Lender may deduct or offset any amounts owed Lender hereunder from any amounts due and payable to Broker under this Agreement.

7. Broker's Indemnification of Lender

Broker hereby agrees to and shall indemnify, defend and hold harmless Lender, its shareholders, directors, officers, employees, agents, successors and assigns, from and against any and all damages, losses, liabilities, costs, actions, causes of action, claims, demands and expenses, including without limitation, reasonable attorneys' and accountants' fees and costs, relating to, arising out of, or associated with (i) a breach of Broker's obligations under this Agreement; (ii) Broker's breach of any representation, warranty, or covenant under this Agreement; or (iii) any negligence, fraud or material omission of Broker in connection with any Loan it submits to Lender under the Agreement, including a determination by Lender that Broker misled or misrepresented terms to a borrower in the origination of the Loan. In all actions with third parties Lender shall have the complete and exclusive right to determine the conduct and defense of such actions by such third party including, without limitation, the right to compromise, settle, defend or continue any such action and to select counsel.

8. Non solicitation

For a period of six (6) months from the date Lender funds any Loan, neither Broker nor its officers, directors, agents, employees or affiliated entities shall solicit a borrower for purposes of prepayment, refinance or modification of the Loan. However, if a borrower requests an additional loan or other credit transaction from Broker without solicitation by or on behalf of Broker, which loan or other credit transaction would be secured by the same property as the mortgage loan made by Lender, Lender shall be given a right of first refusal with respect to such additional loan or other credit transaction. The term "solicit" as used herein shall not include mass advertising via newspaper, radio, television and other similar forms of communication directed to the general public at large not specifically directed to borrowers. If Broker violates the provisions of this section, in addition to other remedies Lender may have, Broker must reimburse Lender for all Broker compensation in connection with any affected Loan.

9. Privacy and Confidentiality

- 9.1 During the term of this Agreement, Broker and Lender shall each have available confidential or proprietary information related to the other Party. Both Parties shall maintain and preserve to the maximum extent permitted by law the confidentiality of any such information and shall be entitled to obtain injunctive relief as required to enforce these provisions. In addition, both Parties agree that nonpublic personal information each borrower furnished to the other Party hereunder is furnished upon the express condition that the information will be kept confidential by the receiving Party. All such confidential, proprietary, and non-public personal information, except as may be otherwise required by statute, by court order or as may be necessary, in the reasonable judgment of the receiving Party, to the performance of the services required under this Agreement, shall be held in confidence. Upon the termination of this Agreement for any reason, Broker shall promptly deliver to Lender all such material and information.

- 9.2 Both Parties have established and maintain policies, procedures and safeguards designed to (a) ensure the security and confidentiality of nonpublic personal information of customers and consumers, as those terms are defined in the Gramm-Leach-Bliley Act (“GLBA”); (b) protect against any threats or hazards to the security and integrity of such nonpublic personal information; and (c) protect against any unauthorized access to or use of such nonpublic personal information. Both Parties agree to protect the security, confidentiality of non- public personal information about each borrower and agree to comply with the provisions of the GLBA, all implementing rules and regulations, and all other federal, state and local laws regarding consumer financial privacy, to the extent applicable to each of their actions and responsibilities hereunder.

10. **Termination of Agreement**

- 10.1 Either party may terminate this Agreement, at any time, upon written notice to the other party; provided, however, that the terms, duties, warranties, and representations contained in this Agreement with respect to any Loans submitted by Broker before termination shall survive the termination of this Agreement and shall continue to apply to Broker and Lender.
- 10.2 The termination of this Agreement does not relieve either party of the duties, warranties, and representations contained in this Agreement with respect to any services performed pursuant to this Agreement.

11. **Governing Law & Venue**

This Agreement shall be governed by the laws of the state of New York, without regard to New York choice of law or conflict of laws principles. Any suit arising from, or for enforcement of, this Agreement shall be brought in a state or federal judicial district court in the Eastern District of New York.

12. **Other Terms**

- 12.1 **Right of Offset.** Amounts owed by Broker to Lender may, at Lender’s option and in its sole and absolute discretion, be offset by Lender against any amounts then or thereafter owed by Lender to Broker.
- 12.2 **Books and Records.** Broker shall prepare and maintain and retain accurate books and records with respect to all Loans for the time period required by applicable law or as may be required by Lender. Lender and its agents or representatives shall have the right to inspect Broker’s books and records during regular business hours and upon reasonable notice in order to confirm the accuracy of information supplied by Broker to Lender with respect to any application materials submitted in connection with a Loan and this Agreement and to confirm Broker’s compliance with this Agreement.
- 12.3 **Right to Audit.** Lender or its agent shall have the right to conduct its own independent audit of Broker to ascertain if the policies, procedures and practices of Broker conform to the requirements of this Agreement and to all applicable laws, rules and regulations. Lender or its agent may conduct such independent audits at such times during normal business hours no more than once per year, at their own expense, and only upon reasonable prior written notice to the other.
- 12.4 **Notices.** All notices required under this Agreement shall be in writing, shall be made to the addresses listed in paragraph 12.11 below, and shall be deemed to be given at the following times according to the following exclusively-authorized delivery methods: (i) if by hand delivery, upon actual delivery; (ii) if by facsimile, one business day after transmission, (iii) if by nationally-recognized courier service that guarantees overnight delivery, one business day after deposit therewith, provided that such delivery actually occurs on the business day after deposit; or, (iv) if by the United States Postal Service, first class, certified mail with return receipt requested and

postage fully prepaid thereon, on the third business days after deposit therewith, provided that such delivery is actually made within three business days after such deposit.

- 12.5 **Attorney Fees.** In connection with any legal action or other proceeding brought by a party hereto against the other party for the enforcement of this Agreement, or because of an alleged dispute, breach, default, or misrepresentation in connection with any provision, term, duty, warranty or representation contained herein, the prevailing party or parties shall be entitled to reasonable attorney fees and other costs incurred by the prevailing party in that action or proceeding, in addition to any other relief to which the prevailing party or parties may be entitled.
- 12.6 **Assignment of Agreement.** This Agreement may not be assigned by Broker.
- 12.7 **Entire Agreement.** This Agreement constitutes the entire Agreement between the Parties and supersedes all prior and contemporaneous oral agreements, representations and understandings. No supplement, modification or amendment hereof made subsequent to the date of this Agreement shall be valid unless it is executed in writing and signed by both Parties.
- 12.8 **Waivers & Remedies.** Failure or delay to audit any Loan or to exercise any right under this Agreement shall not act as a waiver of any other right contained herein, nor shall any single or partial exercise of any right preclude any other or further exercise thereof. No waiver of any provision of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether similar or not, nor shall any waiver of any provision of this Agreement continue in perpetuity unless expressly agreed in writing. No waiver of any provision of this Agreement shall be binding unless it is executed in writing and signed by the party making the waiver. Notwithstanding any waiver of any provision of this Agreement, all remedies pursuant to this Agreement shall be cumulative and shall not be exclusive of any other remedy, whether pursuant to this Agreement or otherwise.
- 12.9 **Severability.** If any provision(s) of this Agreement is held to be invalid, void, or unenforceable by a court of competent jurisdiction, such provision(s) shall be severed, and judicially modified to the minimum extent necessary to be rendered legal, valid and enforceable while accomplishing the intent of such provision(s) as nearly as practicable, and then such judicially-modified provision(s) together with the remaining provisions of this Agreement shall be enforced.
- 12.10 **Assurances.** Each party to this Agreement shall perform any and all further acts and execute and deliver any documents that may be reasonably necessary to carry out the provision of this Agreement and the services contemplated herein.

- 12.11 **Location Information for Notices.** Any notices or communications contemplated or required between the Parties hereunder shall, until and unless directed otherwise by appropriate notice, be directed as follows:

If to Lender:

CLOUT WMB

[_____]

If to Broker:

Name: _____

Physical Address: _____

City/State/Zip: _____

Email: _____

- 12.12 **Counterparts.** This Agreement may be executed in one or more counterparts (including by means of electronically transmitted signature pages), all of which shall be considered one and the same agreement, and shall become effective once all parties have signed and delivered at least one counterpart. In pleading or proving any provision of this Agreement, it shall not be necessary to produce more than one complete set of signed counterparts.

By signing below, Lender and Broker accept and agree to the terms, duties, warranties and representations contained in this Agreement.

LENDER

CLOUT WMB

BROKER

[_____]

By: _____
(Signature)

By: _____
(Signature)

(Print Name & Title)

(Print Name & Title)