



Lender Application Approval Package

300-C Outlet Pointe Boulevard, Columbia, South Carolina 29210

Telephone: (803) 896-9009 Fax: (803) 726-8504

Thank you for your interest in becoming an Approved Lender for the South Carolina State Housing Finance and Development Authority ("SC Housing"). To apply for approval as a Lending Partner. Please complete the attached application package. Please note any missing or incomplete information will delay the processing and decision on your application.

Our application process is a three step process.

Step One

Complete the attached SC Housing Lender Application Package. Following receipt of a complete application with supporting documentation the application will be processed and notification of our decision will be sent within approximately 15 business days.

Step Two

SC Housing uses Lakeview Loan Servicing, as our Master Servicer for all non-bond programs. In order to participate in **ANY** SC Housing Single Family Program, all lenders must be approved with Lakeview. In the event that a lender is not currently approved, they should immediately apply directly to their Counterparty Risk Management Group to obtain the appropriate approval. You may contact Lakeview Loan Servicing by e-mail at CRM@bayviewloanservicing.com

Step Three

Lakeview Loan Servicing will notify SC Housing once the lender approval has been issued. Upon approval by Lakeview Loan Servicing, SC Housing will complete our approval process and contact the lender directly.

If you have any questions concerning the application process or SC Housing programs, please feel free to contact either our Program Coordinator at mortgageproduction@schousing.com or myself via email at claudespurlock@schousing.com.

Once again, thank you for your interest in doing business with SC Housing.

Yours truly,

Claude Spurlock
Director of Business Development



Lending Partner Application Package

Submission Checklist

The following documentation must be provided for lender approval:

- Lender Application Checklist including the Application Processing Fee of \$2,000.00
- Lakeview Loan Servicing Approval - **MUST BE INCLUDED IF ALREADY APPROVED**
- Lender Application to include; (Web Admin, W-9 and Wiring Instructions for funding)
- Lender Agreement - Fully executed and wet signed by Officer, Witnesses and Notary
- Articles of Incorporation to include a current executed Corporate Resolution; if one not available complete the attached
- YTD Financials (Balance Sheet and Income Statement) PLUS last two years audited financials (**NOT REQUIRED IF FEDERALLY REGULATED FINANCIAL INSTITUTION**)
- Evidence of Fidelity and Errors and Omissions coverage – must be covered in the amount of \$1,000,000
- Resume's or all Principal Officers, Quality Control and Underwriting Managers
- Quality Control Plan must include process for Pre-funding and Post-Closing

Lender Contact Information - PRIMARY POINT OF CONTACT

Name _____

Phone Number _____

Email _____



Lender Application Package

Single Family Programs Lending Partner Application

Company Information

Corp	LLC	Partnership	Federally Regulated Institution	Other: _____
Legal Name:				
DBA:				
Federal Tax ID:			NMLS #:	
Primary Address:				
City:		State:		Zip Code:
Phone Number:			Website:	
Number of Branch Locations: <i>(Attach a List of All Branches)</i>			Number of Employees:	
Date Incorporated:			Fiscal Year End:	
MERS ID: _____				
Insurance Policies – Copies of Current Policies must be attached				
Carrier		Policy Amount		Expiration Date
Fidelity Bond				
Errors and Omissions				

Primary Markets Served:

Provide List of South Carolina Counties where loans are originated					

South Carolina Branch Locations:

Branch Physical Location	Contact	Phone



Lending Partner Application Package

Principal Owners (List all owners over 5%)

Principal Owners	Name	Phone	SSN	e-mail	% Ownership
President/CEO *					
CFO *					
COO *					

* - Resume' required

Managers of Key Functional Areas

Functional Area	Name	Phone	e-mail
Secondary			
Production			
Underwriting			
Legal/Compliance			
Investor Delivery/Post Closing			

Agency/Investor-Lender Approval - List ALL Lenders and Investors with whom your firm sell loans. This list should include those investors who represent a majority of your company's sales volume and provide Investor Score Cards. (Attach a list, if needed)

Agency/Investor Name	Approved Date	ID#	Delegated (Y/N)	Contact
Fannie Mae				
Freddie Mac				
FHA				
VA				
USDA				



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Mortgage Insurance Company Relationships

Company Name	Delegated (Y/N)	Master Policy #	Rep. Contact	Phone

Loan Originations and Production History – Enter the total number and total dollar amount of 1-4 family residential loans closed by the Applicant during the last two years

	YTD		Last Fiscal		Preceding Fiscal Year	
	Units	\$ Volume	Units	\$ Volume	Units	\$Volume
Conventional Fixed						
Conventional ARM						
FHA Fixed						
VA Fixed						
USDA Fixed						

Lender acknowledges that SC Housing will require all approved lending partners to originate a minimum of four (4) loans per year to remain on the approved lender list.

In the event that any new lending partners does not originate at least four(4) loans by the annual recertification period, beginning July 1 of each calendar year will be required to either

- 1) Pay a \$2,000.00 fee to remain on the SC Housing approved lender list; or
- 2) Be terminated from the approved lender list

SC Housing's Single Family business model does not currently permit brokered or third-party originations of any kind. However, a lender may operate under a Doing Business As (DBA) name, and joint venture arrangements may be considered on a case-by-case basis, subject to SC Housing's prior approval.

Does your company operate in any of the above capacities? If so, please explain;

If your company operates in any of the above, who reps and warrants the underwriting and closing of the mortgage loans originated?

What name will loans originated under this lender application and agreement close under? (All DBA's must close as the Corporate Name "Lender Name on the Agreement" followed by DBA (Trade Name) in order to be eligible for purchase under the terms of this agreement.



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**Whole Loan Mortgage Purchase Program
Purchase Payment Instructions
(SC HOUSING WILL ONLY WIRE TO ONE WAREHOUSE LINE)**

Company Name: _____

Address: _____

Telephone Number: _____

Lender Contact Person: _____

Name & Title of Authorizing Individual: _____

Original Signature of Authorizing Individual: _____

Date of Authorization: _____

WIRE TRANSFER

Bank to which funds are to be wired: _____

ABA Routing Number: _____ Account Number: _____

Account Name: _____

Address: _____

Specific Transfer Instructions: _____

Contact at Wire Bank: _____ Telephone Number: _____



Lending Partner Application Package

Lender Certifications:

Have any of the principal officers, directors, partners or owners of a 5% or more interest ever been:		
(If answering YES to any of the following, please explain in full detail on a separate attachment.)		
YES	NO	Convicted of a crime or named in a pending criminal proceeding (excluding traffic violations)?
YES	NO	Listed by HUD, as having been precluded or suspended from originating FHA loans?
YES	NO	Company had an FHA Default Compare Ratio above 125%?
YES	NO	Suspended, terminated, debarred or denied approval by HUD, Fannie Mae, Freddie Mac, GNMA, FHA/VA or any mortgage insurance company, warehouse bank, secondary market investor?
YES	NO	Suspended from doing business by an investor, correspondent lender or government agency?
YES	NO	Involved in any litigation with an investor, lender or government agency?
YES	NO	Is your institution the subject of any material litigation, assessments or contingent liabilities not disclosed in your financial statements?
YES	NO	Are there any actions, claims, inquiries, investigations, suits or proceedings pending, or at law against your institution?
YES	NO	Have mortgage operations in the company ever been subject to an unfavorable opinion based on an audit or examination by any investor or regulatory agency?
YES	NO	Are any employees or officers excluded from coverage for fidelity bond or errors and omissions insurance coverage?
YES	NO	Does your institution have the capability to underwrite and approve its own loans?
YES	NO	Does your company comply and conform to Fannie Mae or Freddie Mac Responsible Lending and Anti-Predatory Lending guidelines?
YES	NO	Does your company comply or conform to Fannie Mae or Freddie Mac quality control guidelines?
YES	NO	Does your company comply with Appraiser Independence Requirements f/k/a HVCC?
YES	NO	Does your company comply with Patriot Act?
YES	NO	Does your company comply with Gramm – Leach – Bliley Act?
YES	NO	Does your company have procedures for checking all employees against the US General Services Administration (GSA) Excluded Party List and HUD Limited Denial of Participation List (LDP)?

Bank Secrecy Act and Anti-Money Laundering Program

The Lender certifies that an acceptable OFAC Alert screening process and Anti-Money Laundering Program are in place and meet the following requirements:

- The Lender obtains each customer's complete name, address, tax ID number and date of birth at the time of application;
- For face to face applications the Lender must identify each customer by reviewing their driver's license, green card, passport, or other acceptable documentation; lender must retain documentation.
- The Lender must check OFAC lists and take appropriate action when matches are identified;
- The Lender has implemented effective policies, procedures and internal controls assuring compliance with BSA/AM;
- The Lender requires and performs initial and ongoing training for all employees;

Appraisal Policy

The Lender certifies that it has a written policy governing the appraisal request process and the preparation of appraisal reports prepared on the Lender's behalf. This policy maintains that all appraisal reports must, at a minimum:

- Meet Appraiser Independence Safeguards as published by HUD;
- Meet the Home Valuation Code of Conduct as published by Fannie Mae and Freddie Mac;
- Comply with the standards of the Uniform Standards of Professional Appraisal Practice (USPAP);
- Be written and contain sufficient information and analysis to support the decision to proceed;
- Be based upon the definition of market value as set forth in the USPAP;



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- Be performed by a state licensed or certified appraiser;
- Assure No Production Staff employee shall determine the selection of the appraiser;
- Assure No Production Staff employee shall have any valuation related contact with appraiser at any time during the process,
- Lender will employ ongoing monitoring and periodic assessments of all contracted Appraisal Management Companies, and/or appraisers to ensure acceptable performance standards consistent with supervisory guidance.
- Lender will ensure that selected appraiser does not appear on any State or Federal, Investor Watch and/or Exclusionary Lists;
- Lender further certifies that proper controls exist with regard to quality control audits and underwriting review procedures to ensure compliance with the Appraisal Policy.

Quality Control Program

The Lender certifies that it maintains an ongoing Quality Control program and that the program provides for quality control reviews to be conducted monthly on a random sample of not less than 10% of loans originated by the Lender.

- Quality Control reviews are to be performed by an individual or individuals who are completely independent from the origination, processing, underwriting or closing of the loan being reviewed.
- Quality Control reviews may be conducted by a qualified company employee or by an outside contractor.
- Each review shall consist of a thorough reassessment of the loan application, credit report, income and employment documentation, asset documentation, appraisal report and any other pertinent information contained in the loan file.
- The results of these quality control reviews must be made available to senior management within 90 days of the close of the reporting period.
- Senior management must review the QC findings within 30 days of receipt and implement corrective action where needed to prevent the recurrence of major exceptions.

Loan Originator Compensation Program

The Lender certifies that it shall at all times comply with any and all state, federal, and local laws, regulations, and/or ordinances including, but not limited to, those related to anti-steering provisions and compensation of its loan originators as defined by Regulation Z.

Execution of Application

The undersigned Lender hereby certifies that:

- 1) All information contained in this application is true, complete and accurate.
- 2) The Lender will notify South Carolina State Housing Finance and Development Authority of any material change in the information provided in this application after submission and approval of the application.

The undersigned is aware that as part of due diligence in processing this application, South Carolina State Housing Finance and Development Authority may verify the references provided and use other resources including credit information on your institution and/or principals and that SC Housing is hereby authorized to proceed.

The undersigned Lender understands that South Carolina State Housing Finance and Development Authority will rely on the information contained in this application and that any misrepresentation or omission may constitute a civil or criminal violation and may be cause for suspension or termination of the relationship with South Carolina Housing Finance and Development Authority.

The undersigned Lender understands that South Carolina State Housing Finance and Development Authority requires all lenders to submit at a minimum 2 first mortgage loans within a twelve month period to remain an active lender. Lenders who fail to meet this requirement will be required to complete annual recertification and attend a regional training session provided to our lenders several times annually prior to be re-activation.



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The individual executing this document below represents that such person is duly authorized to sign this statement on behalf of the applicant.

SIGNATURE OF AUTHORIZED REPRESENTATIVE

Signature

Date

Name

Title

Company

SIGNATURES OF PRINCIPAL OWNER(S)

Signature

Date

Signature

Date

Signature

Date



Lending Partner Application Package

Authorized Officers Resolution Certification

I, _____, _____ of
(name of authorized officer) (title of officer)

of _____
(Lender)

DO HEREBY CERTIFY that a meeting of the Board of Directors of said _____ (Lender), duly held on the _____ day of _____, 20____, at which meeting a quorum of the Board of Directors was present and acting throughout, the following Resolutions were duly and unanimously adopted:

WHEREAS, the Board of Directors of _____ (Lender) is required to execute and deliver a Mortgage Purchase Agreement (the "Agreement") and various other related documents.

NOW THEREFORE BE IT RESOLVED,

That the proper officers of _____ (Lender) are authorized and directed to make application to the Authority to participate in the Authority's Homeownership Mortgage Purchase Program beginning on the date hereof and continuing until this Agreement is terminated by written notice given by either party to the other by certified mail, which notice shall be effective in accordance with its terms upon mailing and which may be given without cause.

BE IT FURTHER RESOLVED,

That in the event the Authority accepts said "Agreement", in whole or in part, that sale to the Authority by _____ (Lender) of the mortgage loans is hereby in all respects authorized and approved; and

BE IT FURTHER RESOLVED,

That the form and substance of the proposed Agreement to be executed and delivered by _____ (Lender) is in all respects approved; and

BE IT FURTHER RESOLVED,

THAT the named officer(s) of _____ (Lender) are hereby authorized, empowered and directed to execute and deliver, with or without the seal of _____ (Lender) attached or affixed thereto and, if so attached or affixed, attested or unattested by the Secretary or any Assistant Secretary of _____ (Lender) to the Authority, the Application and the Agreement in substantially the forms submitted to this meeting, and any other papers and do all such acts and things as may be necessary or desirable to consummate the transaction authorized herein, including, without limitation, the payment of loan fees, and otherwise to carry out the purpose and intent of this Resolution, all with such changes, additions, insertions and deletions as the officer(s) executing the same may approve, such approval and the propriety and necessity thereof to be conclusively evidenced by the execution therefore; and



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BE IT FURTHER RESOLVED,

THAT, the _____ (Secretary or Assistant Secretary or other appropriate officer) of _____ (Lender) is hereby authorized and directed to certify and deliver to the Authority, under seal, copies of these Resolutions.

I DO HEREBY CERTIFY,

THAT, the following are duly elected, qualified and acting officers of _____ (Lender) holding the offices set forth after their names, genuine signatures.

<u>Name</u>	<u>Office</u>	<u>Specimen Signature</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

(insert all names, offices and specimen signatures of all officers executing any document being delivered to the Authority in this space provided)

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of

_____ (Lender)

this _____ day of _____ 20 _____.

(Corporate Seal)

Officer:

Title:



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Web Administrator Request

Lender Company Name: _____

The Web Administrator will be responsible for managing web user authorization to set up and authorize additional employees for various access levels for SC Housing's Lender Online portal. In addition, the Administrator will have the highest level of security access to the site.

Please identify the Web Administrator(s) for your company. Should you require additional administrators, please provide an additional form or attach a list of the additional users.

Web Administrator Name	Title	Phone	e-mail

Authorized by: _____ Date: _____
(Signature Required – Must be Officer named on Corporate Resolution)

(Name and Title)



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Electronic Signature System and Compliance Certification

The undersigned Lender hereby certifies that it has an acceptable Electronic Signature Policy in place that meets all the requirements outlined in the SC Housing Homeownership e-Signature Requirements and appropriate adjustments have been made to their Quality Control Plan to allow for appropriate oversight. In addition, Lender certifies that such policy is compliant with all applicable, federal, state and local laws and regulations including, but not limited to, the Uniform Electronic Transactions Act (UETA) and the Electronic Signatures in Global and National Commerce (ESIGN) Act.

Lender Name: _____

Date: _____

Certifying Officer Signature: _____

Officer Name: _____ Title: _____

Request for Taxpayer Identification Number and Certification

Give Form to the
requester. Do not
send to the IRS.

Print or type
See Specific Instructions on page 2.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.	
2 Business name/disregarded entity name, if different from above	
3 Check appropriate box for federal tax classification; check only one of the following seven boxes: ☐ Individual/sole proprietor or single-member LLC ☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____ Note. For a single-member LLC that is disregarded, do not check LLC; check the appropriate box in the line above for the tax classification of the single-member owner. ☐ Other (see instructions) ▶ _____	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ <i>(Applies to accounts maintained outside the U.S.)</i>
5 Address (number, street, and apt. or suite no.)	Requester's name and address (optional)
6 City, state, and ZIP code	
7 List account number(s) here (optional)	

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the instructions for line 1 and the chart on page 4 for guidelines on whose number to enter.

Social security number									
				-				-	
or									
Employer identification number									
				-					

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.

Sign Here	Signature of U.S. person ▶	Date ▶
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General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. Information about developments affecting Form W-9 (such as legislation enacted after we release it) is at www.irs.gov/fw9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following:

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)

- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding? on page 2.

By signing the filled-out form, you:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
- Certify that you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
- Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting?* on page 2 for further information.



**SOUTH CAROLINA STATE HOUSING
FINANCE AND DEVELOPMENT AUTHORITY**

ADDENDUM TO MORTGAGE PURCHASE AGREEMENT
ELECTION TO PARTICIPATE

THIS ADDENDUM TO MORTGAGE PURCHASE AGREEMENT, Dated as of _____, 20____, is entered into by and between the Authority and Lender.

The Lender elects to participate in the SC Homebuyer Program as administered by the Authority which may include loans insured by FHA, USDA, VA or conventional mortgage insurers as the Authority may allow.

The Lender agrees to abide by all specific requirements currently or hereafter in effect for the SC Homebuyer Program. The Lender specifically agrees to abide by the SC Homebuyer Program manual as may be amended from time to time.

(Lender Name)

BY:

(Signature of Officer)

(Typed Name of Officer)

ITS:

(Title)

(Date)

**SOUTH CAROLINA STATE HOUSING
FINANCE AND DEVELOPMENT AUTHORITY**

MORTGAGE PURCHASE AGREEMENT

THIS AGREEMENT, dated as of _____, 20____, is entered into by and between the South Carolina State Housing Finance and Development Authority, having its principal place of business located at 300-C Outlet Pointe Boulevard, Columbia, South Carolina 29210 (hereinafter referred to as the "Authority") and _____ having its place of business located at _____ (hereinafter referred to as the "Lender").

The Authority desires to purchase from the Lender and Lender desires to sell to the Authority certain Mortgage Loans hereinafter described upon the terms and conditions set forth herein.

In consideration of the mutual covenants and agreements herein contained, the Authority and the Lender agree as follows:

SECTION 1. DEFINITIONS

All words and terms contained herein shall be interpreted to have their usual meaning unless any such word or term shall be assigned a different meaning by the current manuals or any subsequent announcements published by the Authority for the programs elected to participate in by addendum hereto, in which case any such word or term shall be interpreted to have the meaning assigned to it by the applicable manuals.

SECTION 2. MORTGAGE PURCHASE PROGRAM

A. PURCHASE

Beginning on the date hereof and continuing until this Agreement is terminated by written notice given by either party to the other by certified mail, which notice shall be effective in accordance with its terms upon mailing and which may be given without cause, the Authority agrees to purchase from the Lender, but only upon the terms and conditions contained herein, and the Lender agrees, upon such terms and conditions, to originate and to deliver for sale to the Authority, Mortgage Loans, the funds for which have been committed in accordance with the procedures described in the applicable manuals.

B. MORTGAGE REQUIREMENTS

In order to be eligible for purchase by the Authority, each Mortgage Loan delivered by the Lender must have been originated in compliance with the provisions of the applicable manuals, must be the subject of the Required Mortgage Insurance/Guaranty ("RMI/G"), must meet all applicable statutory and regulatory requirements, must have underwriting approval by the Lender and must have received prior eligibility approval by the Authority's staff.

SECTION 3. CONDITIONS OF PURCHASE

- A. Purchase by the Authority of Mortgage Loans hereunder is conditioned upon compliance by the Lender with all requirements and representations and warranties herein set forth and in the applicable manuals. All conditions represented and warranted to exist are warranted to exist as of the Mortgage Purchase Date. All conditions represented or warranted to exist on a continuing basis shall continue to exist on a continuing basis. The applicable manuals, with all amendments and supplements thereto, are hereby expressly incorporated herein. The Lender represents and warrants that such statements of facts will exist on the Mortgage Purchase Date and agrees that said representations and warranties shall survive the purchase of such Mortgage Loan. In the event that the Lender becomes aware of any fact or condition which the Lender has warranted to exist with respect to any Mortgage Loan shall cease to exist, Lender shall either: (1) retain such Mortgage Loan and not offer it to the Authority for purchase; (2) in the event that any such Mortgage Loan has been offered to the Authority but has not yet been purchased, Lender shall advise the Authority that such Mortgage Loan is no longer eligible for purchase by the Authority; or (3) in the event that such Mortgage Loan has been purchased by the Authority, Lender shall, within 30 business days of obtaining such information, advise the Authority of the warranted condition or fact which has ceased to exist or to be true and shall offer to repurchase such Mortgage Loan from the Authority pursuant to the provisions of Section 5 hereof.
- B. (1) The Required Mortgage Insurance/Guaranty (RMI/G) must be obtained on Mortgage Loans to the extent permitted by state or federal statute. RMI/G coverage must be in an amount as may be specified by the Authority in applicable manuals or program guides.

As of the Mortgage Purchase Date, such RMI/G must be in full force and effect, the benefits of such Mortgage Insurance must run to the Authority, and nothing must have been done which would impair the rights of the Authority thereunder.

The RMI/G premium has been paid or financed in accordance with the procedures adopted by the RMI/G provider.

(2) If, in the Authority's sole discretion, RMI/G coverage is not obtained or is insufficient, Lender agrees to repurchase the Mortgage Loan from the Authority upon demand by the Authority.

C. All Mortgage Loans are purchased by the Authority on a "servicing released" basis.

SECTION 4. WARRANTIES

A. LENDER REPRESENTATIONS, WARRANTIES AND COVENANTS AS TO LENDER

Lender hereby represents, warrants, and covenants as follows:

- (1) Lender has and it's officers on it's behalf have, full legal authority to engage in the transactions covered by this Agreement and the execution and delivery of this Agreement. The consummation of the transactions herein and therein contemplated, whether presently or in the future, and in compliance with the terms, conditions, and provisions hereof and thereof will not conflict with or result in a breach of any of the terms, conditions, or provisions of the charter or by-laws of the Lender, or to the best of the Lender's knowledge, any agreement or instrument to which the Lender is now a party. The Lender is not a party to or bound by any agreement or instrument or subject to any charter or other corporate restriction or any judgment, order, writ injunction, decree, law, rule or regulation which now or in the future may materially and adversely affect the ability of the Lender to perform its obligations under this Agreement. This Agreement constitutes valid and binding obligations of the Lender, enforceable against it in accordance with their terms, subject to any applicable bankruptcy, insolvency, reorganization, or similar laws affecting the enforcement of creditors' rights generally; and
- (2) Lender is and will continue to be duly organized, validly existing, and in good standing under the laws of the jurisdiction in which it was incorporated or organized, as applicable, and has and will continue to maintain all licenses, registrations, and certifications necessary to carry on its business in the State of South Carolina, and is and will continue to be licensed, registered, qualified, and in good standing in the State of South Carolina as to any applicable licensing, registration or qualification in order to conduct business of the type conducted by Lender; and

- (3) Lender has and will maintain the full corporate or partnership power and authority to execute and deliver the documents contemplated by this Agreement and to perform in accordance with each of the terms thereof and the terms of the applicable manuals. The execution, delivery and performance of this Agreement by Lender and the consummation of the transactions contemplated hereby have been duly and validly authorized. This Agreement is a legal, valid, binding and enforceable obligation of Lender, and all requisite corporate or partnership action has been taken by Lender to make this Agreement valid and binding upon Lender and enforceable in accordance with its terms; and
- (4) Lender has the ability to perform each and every obligation and/or requirement imposed on Lender pursuant to this Agreement, and no offset, counterclaim, right of rescission or defense exists to the full performance by Lender of the requirements of this Agreement; and
- (5) Neither the SC Housing Lender Application, this Agreement, nor any statement, report or other document furnished or to be furnished by Lender pursuant to this Agreement contains any untrue statement of material fact or omits to state a material fact necessary to make the statements contained herein or therein not misleading; and
- (6) Lender has complied with, and has not violated any law, ordinance, requirement, regulation, rule or other order applicable to its business or properties, the violation of which might adversely affect the operations or financial condition of Lender to consummate the transactions contemplated by this Agreement; and
- (7) All financial statements required to be submitted by Lender to the Authority have been prepared in accordance with GAAP applied on a consistent basis by an independent certified accountant or other individual acceptable to the Authority; and
- (8) Lender has established procedures with respect to approved appraisers and Lender shall, upon the Authority's request, provide the Authority with any information Lender has in its possession regarding any appraiser or appraisal; and
- (9) Lender shall at all times comply with applicable federal and state laws and regulations and, in particular, but without limitation, shall not, at any time, knowingly discriminate against, or treat any applicant or potential applicant differently, on the basis of that person's race, sex, religion, national origin, age, color, disability, or familial or marital status; or the fact that the person derives all or part of his/her income from any public assistance program; or the fact that the person has in good faith exercised any right under the Federal Consumer

Credit Protection Act, Equal Credit Opportunity Act, and Fair Housing Act or any state anti-discrimination law; or based upon any other characteristic of the person which is defined to be a prohibited basis for credit discrimination under any applicable law.

B. LENDER REPRESENTATIONS, WARRANTIES AND COVENANTS AS TO MORTGAGE LOANS

With respect to every Mortgage Loan offered by Lender to the Authority hereunder, Lender represents, warrants, and covenants as follows:

- (1) The Authority shall be entitled to rely upon Lender as assembler and preparer of all Mortgage Loan documents, and is under no duty whatsoever to investigate or confirm any of the information set forth therein as to its honesty, accuracy, or completeness; and
- (2) The Mortgage Loan was executed on the Closing Date by any and all person(s) necessary to create and convey a valid and legally enforceable first lien obligation in favor of Lender with respect to the Mortgage Note that is superior to all other liens or other claims, and the Mortgage Note is payable to Lender as payee and has been duly executed by the Mortgagor; and
- (3) The sale of each Mortgage Loan is in Lender's ordinary course of business and will not result in (i) the breach of any term or provision of Lender's charter or bylaws; (ii) the breach of any term or provision of, or conflict with or constitute a default of or result in the acceleration of any obligation under any agreement, indenture, loan or credit agreement, or other instrument to which Lender or any of its property is subject; or (iii) the violation of any law, rule, regulation, order, judgment, or decree to which Lender or any of its property is subject; and
- (4) The entire proceeds of the Mortgage Loan were used by the Mortgagor to finance the Mortgaged Property, and the Mortgaged Property is or will be used by the Mortgagor as his/her/their principal residence or for such other purpose as is permitted by investor guidelines, or under the applicable manuals; and
- (5) There is no default or delinquency under the terms and covenants of the Mortgage Loan; no payments are more than 30 days past due and unpaid under the Mortgage Loan; all costs, fees and expenses incurred in making, closing and recording the Mortgage Loan have been paid; and within the period preceding the submission of the Mortgage Loan by the Lender for Purchase by the Authority, there has not been outstanding any advance of funds by the Lender, to or on behalf of the Mortgagor to be used by the Mortgagor for the payment of any monthly installment, principal, interest, or other charges payable under the Mortgage Loan; and

- (6) The Mortgage contains enforceable provisions that give the Mortgage holder rights and remedies to realize against the Mortgaged Property as expeditiously as applicable law allows, including, without limitation, the power of sale upon foreclosure; and
- (7) Lender has good and marketable title to the Mortgage Loan as of the closing date and the assignment of each Mortgage Loan from Lender to the Authority is valid, sufficient, enforceable and conveys good title to such Mortgage Loan to the Authority, free and clear of any liens, claims, or encumbrances upon such Mortgage Loan; and Lender has not affected any assignment, sale or hypothecation of the Mortgage Loan, except in favor of the Authority; and Lender will assign such Mortgage Loan based on any direction given by the Authority; and
- (8) Lender is the sole owner of each Mortgage Loan to be sold under this Agreement and has the requisite power and authority to sell, transfer, and assign such Mortgage Loan on the terms herein set forth, free and clear of all liens, claims and encumbrances upon such Mortgage Loan; and
- (9) Lender will execute and deliver to the Authority all instruments necessary to convey to the Authority all rights, titles and interests in and to each Mortgage Loan and all documents evidencing insuring, guaranteeing or securing each Mortgage Loan; and
- (10) Lender will provide interim servicing or arrange for interim servicing for the first and any subordinate mortgage between the closing date and the Funding/Purchase Date; and
- (11) All taxes and governmental assessments that became due and owing prior to the Funding/Purchase Date with respect to each Mortgaged Property have been paid; and
- (12) An escrow of funds in an amount sufficient, in accordance with industry standards or any applicable HUD regulations, to cover a portion of one calendar year's payments of taxes and governmental assessments, hazard, flood, wind/hail insurance and, if applicable, mortgage insurance premiums or guaranty fees on each Mortgaged Property, has been established; and
- (13) The unpaid principal balance of each Mortgage Loan is as stated; no part of each Mortgaged Property has been released from the lien securing each Mortgage Loan; the terms of each Mortgage Loan have in no way been changed or modified; and each Mortgage Loan is current and not in default and no condition or circumstance exists that, with the passage of time, would constitute a default; and

- (14) Each Mortgage Loan is of acceptable quality and is eligible for sale to the FNMA (Fannie Mae), GNMA (Ginnie Mae), FHLMC (Freddie Mac), FHA, VA, RHS, or non-conforming Investor whose Mortgage Loan eligibility specifications are outlined in the applicable agency guidelines or the applicable manuals, and whose decision regarding acceptable quality and eligibility is determinative; and
- (15) No predatory or deceptive lending practices, including but not limited to the extension of credit without regard for a Mortgagor's ability to repay the Mortgage Loan, and/or the extension of credit which has no apparent benefit to the Mortgagor were employed in connection with the Mortgage Loan application. Each Mortgage Loan application is in compliance with the anti-predatory lending eligibility requirements of the applicable manuals, Agency Guidelines and applicable law; and
- (16) Each Mortgage Loan was properly closed in accordance with the requirements of the applicable manuals, and all Agency Guidelines and applicable law as determined by the Authority. Each Mortgage Loan complies, as determined by the Authority and/or the applicable agency, with applicable law; the applicable manuals, and all applicable agency guidelines and Lender will execute and deliver to the Authority all instruments that may be required by the Authority to evidence compliance as such; and
- (17) The Mortgagor has duly executed and delivered appropriate evidence indicating that the Mortgagor has received any and all disclosure materials as required by applicable law; and
- (18) The full original principal amount of each Mortgage Loan has been advanced to the Mortgagor, either by direct payment, or by payment made on the Mortgagor's request or approval; and all costs, fees, and expenses incurred in making, closing and recording such Mortgage Loan, have been paid; and
- (19) There is in force a paid-up mortgagee policy of title insurance on each Mortgage Loan in an amount not less than the outstanding principal balance of the Mortgage Loan, affirming that the Mortgagor has fee simple, indefeasible title to the Mortgaged Property and insuring the validity and priority of Lender's first lien securing the Mortgage Loan, and such mortgagee policy of title insurance does not contain any exceptions to or defects in title not otherwise disclosed to and approved in advance by the Authority in writing; and
- (20) There is a valid paid-up hazard insurance policy in force, at the time of the purchase of each Mortgage Loan by the Authority issued or written by an insurance company with a Best's Key Rating Guide financial size category of Class III or better, in an amount equal to at least the full replacement value of the

improvements on the property secured by the Mortgage. The policy shall be of a type at least as protective as fire and extended coverage and shall contain a mortgagee clause and loss payable clause to the Authority in the form of the standard mortgagee clause which clause shall protect the mortgagee's interest in the insured property separate and apart from the Mortgagor's interest in order that the mortgagee shall not be subject to any act, neglect, omission or misrepresentation of the insured which might void or breach coverage under the policy. Also, the policy shall contain suitable provisions for payment on all present and future mortgages on such premises in order of precedence. For properties in a designated special hazard area, which would include, but not be limited to, wind and hail or flood, a paid-up insurance policy or rider in force that provides coverage for such hazards. For properties located in a condominium or planned unit development project, Lender will provide a certificate of insurance naming the Authority as the insured plus a certified true copy of the Master Hazard and Liability Policy; and

- (21) All documents submitted or delivered are authentic, and all other representations as to each Mortgage Loan sold are true and correct and meet the requirements and specifications of all parts of this Agreement and the Applicable manuals; and
- (22) Each Mortgage, Mortgage Note, and all other Mortgage Loan documents executed by the Mortgagor create legal, valid and binding obligations of the Mortgagor, enforceable in accordance with their terms; there exists as of the closing date no right of offset, defense, right of rescission, homestead right, or counterclaim with respect to the Mortgage Note or any of the other documents; and there is no pending or threatened litigation that might affect the validity or enforceability of the Mortgage Note or the Mortgage; and
- (23) Each Mortgaged Property is either free of damage and in good repair; there is no proceeding pending or threatened for a partial or total condemnation or partition of the Mortgaged Property; and either there are no mechanic's or similar liens or claims that have been filed for work, labor or material (and no rights are outstanding that under applicable law could give rise to such a lien or claim) affecting the Mortgaged Property or such liens and claims have been insured against under the final Mortgagee Policy of Title Insurance; and
- (24) As of the closing date, to the best of Lender's knowledge, after reasonable inspection, each Mortgaged Property was not affected by any condition arising from the presence of any dangerous, toxic or hazardous pollutants, chemicals, wastes, or substances; and
- (25) The real property securing the Mortgage Loan meets the requirements set forth in

the applicable manuals and all improvements, including new construction, have been or will be completed in full compliance with any applicable laws, regulations, or building codes and standards, and that the improvements comply with the laws, regulations, or building codes and standards in effect; and

- (26) With respect to each appraisal delivered to the Authority in connection with a prospective Mortgage Loan, the appraisal has been prepared by an Approved Appraiser; Lender has reviewed the appraisal and found the appraisal acceptable in accordance with the standards set forth in the applicable manuals; and
- (27) Unless otherwise agreed to in writing by the Authority and the subject Mortgage Loan meets all additional requirements imposed by the Authority, no Mortgage Loan is (i) subject to, covered by or in violation of the Home Ownership and Equity Protection Act ("HOEPA") or (ii) classified as "high cost", "covered", "high risk home", "threshold", or "predatory" loan under any other applicable state, federal or local law, including any predatory or abusive lending laws (or similarly classified loans using different terminology under a law imposing heightened scrutiny or additional legal liability for residential mortgage loans having high interest rates, points and/or fees) or (iii) in violation of any state law or ordinance comparable to HOEPA.

SECTION 5. REPURCHASE OF MORTGAGE LOANS AND REIMBURSEMENT

Lender shall repurchase any Mortgage Loan sold to the Authority or reimburse the Authority for any and all claims, demands, actions, damages, suits and liabilities arising out of or related to a Mortgage Loan at any time upon the occurrence of any of the following events:

- (a) Any false statement, misstatement, or act of omission of material fact contained in the Mortgage Loan documentation resulting from Lender's negligence or failure to exercise due diligence; or
- (b) Lender fails to obtain FHA insurance, VA or RHS guaranty, private mortgage insurance, or if such insurance or guaranty lapses or for any reason becomes unavailable, as a result of any negligent act or omission by Lender, or the failure by Lender to obtain such insurance or guaranty within sixty (60) days from the date of loan closing ; or
- (c) The Authority is required to repurchase any Mortgage Loan it sold to or securitized by any investor, including, but not limited to, FNMA (Fannie Mae), FHLMC (Freddie Mac) and GNMA (Ginnie Mae), and the Mortgage Loan has been determined to be ineligible for purchase, securitization, or not of acceptable quality either by investor demand, quality control review or indemnification demand or was

ineligible for purchase or securitization as a result of a violation of any Agency Guideline for the said loan product or private mortgage insurance guidelines and/or provisions of the applicable manuals; or

- (d) Any representation or warranty made by Lender under this Agreement or the applicable manuals with respect to any Mortgage Loan shall, in the reasonable opinion of the Authority, be, in whole or in part and with or without knowledge of Lender, false at the time when made by Lender or become false upon the occurrence of subsequent events; or
- (e) Any representation or warranty made by Lender under this Agreement or the applicable manuals with respect to any Mortgage Loan shall, in the reasonable opinion of the Authority, be, in whole or in part false at the time when made by Lender; or
- (f) Any material fraud, misrepresentation or act of omission with respect to the information submitted on a particular Mortgage Loan is determined to exist by the Authority or another investor. This includes, but is not limited to, Mortgagor or other third party fraud or misrepresentation, and any misrepresentation of Mortgagor's income, funds on deposit, or employment, or of the occupancy status of the Mortgaged Property; or
- (g) Lender's breach of any covenant or obligation to the Authority under this Agreement or the applicable manuals with respect to a Mortgage Loan.

The repurchase price for any Mortgage Loan that Lender is required to repurchase from the Authority shall be an amount equal to its then unpaid principal balance of the Mortgage Loan on the date of repurchase, plus accrued interest, any servicing release premium paid, any Down Payment Assistance, if applicable, and direct expenses (including attorney's fees) incurred by the Authority 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. The Authority's exercise of its right to have Lender repurchase any Mortgage Loan hereunder shall be in addition to, and not in lieu of, any other rights or remedies which the Authority may have against Lender hereunder or under applicable law.

Any such repurchase by the Lender shall take place on such date as the Authority may specify in its notice to the Lender of the occurrence of one or more of the foregoing events, but not less than thirty (30) days from the date of such notice. Upon repurchase, the Authority shall reassign its interest in all appropriate Mortgage Loan documents to the Lender and shall hold the Lender harmless from any action taken by the Authority which has impaired the Mortgage lien with respect thereto.

The Lender shall indemnify the Authority and hold the Authority harmless from any loss, damage, or expenses that the Authority may sustain as a result of the occurrence of any of the events mentioned in Subsection A through C of this section. The Lender hereby waives the defense of any statute of limitations that could otherwise be raised in defense to any repurchase obligation or damage to the Authority.

This Section shall survive termination of this Agreement.

SECTION 6. EARLY PAYOFF OR DEFAULTS

A. EARLY PAYOFFS

For any Mortgage Loan that is prepaid in full on or before 120 days following the applicable Purchase Date, the Lender agrees to refund to the Authority, within 30 days after the Authority notifies the Lender of the prepayment, an amount equal to the Servicing Release Premium paid for such Mortgage Loan, plus any premium pricing paid to Lender for such Mortgage Loan.

B. EARLY PAYMENT DEFAULTS

In the event that any of the first three (3) scheduled Monthly Payments due and payable to the Authority after the date of purchase of the Mortgage Loan by the Authority are not paid within 30 days of the due date and such default is not cured within 90 days following such default, then within 30 days after the Authority notifies the Lender of such uncured default, Lender shall, in the Authority's sole discretion, repurchase the loan in accordance with Section 5 above.

SECTION 7. TRANSFER OF TITLE TO MORTGAGE LOANS

Transfer of the right, title, and interest of the Lender in the Mortgage Loans to the Authority, pursuant to the purchase thereof, shall be in the manner provided in the applicable program manuals.

SECTION 8. MORTGAGE LOAN DOCUMENTS

- A. The Lender shall submit for examination by the Authority's staff, with respect to each mortgage loan to be sold to the Authority on such Mortgage Purchase Date, the

information required by the Authority and each of the documents listed in the applicable program manuals.

- B. The Lender hereby warrants that the copies of all documents delivered to the Authority will be true and accurate copies of their respective original documents. The examination of loan documents by the Authority or any of its staff, officers, employees, or contractors shall not constitute a waiver of any warranty, representation, or term hereof.
- C. The Lender shall pay for the preparation and furnishing to the Authority of all documents herein specified, and pay any and all expenses in connection with the transaction covered by this Agreement including, but not limited to, the cost of preparing and recording all the documents necessary to accomplish the transaction intended in this Agreement, legal fees, postage and other fees incurred by the Authority in the return to the Lender by Registered Mail of Mortgage Loan submissions containing incorrect or incomplete documentation, unless Lender can provide additional documentation to cure missing documentation within sixty (60) days from notice of the same.
- D. The Lender agrees to do all acts necessary to perfect title to each Mortgage and shall sell, assign and deliver to the Authority, with respect to the purchase of each Mortgage Loan the documents set forth in the applicable manuals, all subject to the approval of the Authority or any of its staff, officers, employees or contractors as to proper form and execution. No later than 90 days from the date of purchase Lender shall deliver to the Authority the required final documentation. Should Lender fail to satisfy, within 120 days from the date of purchase, the requirements for document delivery with respect to each Mortgage Loan purchased, the Authority reserves the right to assess a penalty fee in the amount listed in the applicable manuals for each calendar month or portion thereof if required documentation is not received. The Authority's assessment of this penalty fee shall be in addition to and not in lieu of the Authority's other remedies hereunder including the remedy of repurchase as provided in Section 5 above.

SECTION 9. INSURANCE

A REQUIRED INSURANCE

Without limiting Lender's liability to the Authority, Lender, at its sole cost and expense, will maintain adequate insurance coverage to protect the Authority from any losses or claims which may arise out of the performance of obligations throughout the term of this Agreement, including renewal periods and transition periods. Such coverage will include:

- (1) Workers' compensation (statutory limits) and employer's liability (\$1,000,000 limits) insurance to the extent required by the laws of the state(s) in which the

-
- services are performed; and
- (2) Commercial general liability and property damage insurance with combined bodily injury and property damage limits of at least \$2,000,000 combined single limit for bodily injury, death, property damage, including personal injury, contractual liability, independent contractors, broad-form property damage, and products and completed operations coverage, naming the Authority as an additional insured; and
 - (3) Mortgage bank bond or mortgage originator policy of at least \$1,000,000; and
 - (4) Fidelity bonding of at least \$1,000,000 for claims based upon and damages arising out of or relating to Lender's employees' fraudulent or dishonest acts, and the Authority shall be named loss payee in any proof of loss filed in connection with the services provided; and
 - (5) Errors and Omissions Insurance or comparable coverage of at least \$1,000,000 for claims based and damages arising out of or relating to Lender's employees' negligence, omissions, errors, or similar malfeasance of the Lender personnel.

All the insurance policies required to be obtained pursuant to this Agreement will be with companies licensed to do business in the state where the services will be performed and rated no less than Standard and Poor's AAAa to Claims Paying Ability or BB to Qualified Solvency Rating as to financial rating and no less than A- as to Policy Holder's Rating in the current edition of Best's Insurance Guide (or with an association of companies each of the members of which are so rated). The foregoing requirements as to the types and limits of insurance coverage to be maintained by Lender and any approval or waiver of said insurance by the Authority is not intended to and will not in any manner limit or qualify the liabilities and obligations otherwise assumed by Lender pursuant to this Agreement, including the provisions concerning the indemnification obligations of Lender. Such insurance will be primary and noncontributory to any insurance or self-insurance that may be maintained by the Authority.

B CERTIFICATES OF INSURANCE

Lender shall deliver certificates of insurance and additional insured endorsements for the applicable policies, to the Authority at execution of this Agreement and no less than annually or upon the Authority's request thereafter. The certificates of insurance shall evidence the coverage types, amounts described above, and set forth the amount of all deductibles, and will be endorsed:

- (1) In the name of the Authority, its officers, agents, and employees as additional insured (required for General Liability policy only); and
- (2) To provide that each of the policies is primary insurance with respect to any other insurance available to the Authority as to any claim for which coverage is afforded under the policy; and
- (3) To provide that the policy shall apply separately to each insured against whom a claim is made or suit is brought (required for Commercial General Liability policy only).

C CANCELLATION OR LAPSE OF INSURANCE

Lender shall give the Authority 30 day's prior written notice of cancellation, non-renewal, or material change in coverage, scope or amount of any insurance policy. Should Lender fail to keep in effect at all times the insurance coverage required under this section, the Authority may, in addition to and cumulative with any other remedies available at law, equity, or under this Agreement, terminate this Agreement immediately upon notice.

D CLAIMS MADE COVERAGE

To the extent that any insurance coverage required under this section is purchased on a "claims-made" basis, such insurance shall cover all prior acts of Lender during the term of this Agreement, and such insurance shall be continuously maintained until at least 3 years beyond the expiration or termination of this Agreement, or Lender shall purchase "tail" coverage, effective upon termination of any such policy or such termination or expiration of this Agreement, to provide coverage for at least 3 years from the occurrence of either such event.

SECTION 10. DEFAULT

In the event the Lender fails or refuses, for any reason whatsoever, to observe or perform any covenant, condition, or commitment in this Agreement on the Lender's part to be so observed or performed, then, in addition to any other remedies which may be provided elsewhere in this Agreement, the Authority shall be entitled to all remedies, at law or in equity including, but not limited to, the rights to terminate this Agreement, to seek equitable relief by way of injunction or prevent the breach or threatened breach of any of the provisions of this Agreement or to enforce the performance hereof and to seek damages, including consequential damages arising by virtue of the Authority's sale of its Bonds, in reliance upon the Lender's observation and performance of the provisions of this Agreement. In the event of a default by Lender, this Agreement may be terminated immediately by written notice from the Authority.

Upon any termination of this Agreement, the Lender shall have no further rights pursuant hereto; provided however, that such termination shall not diminish the Authority's right pursuant to this Agreement to require the Lender to repurchase Mortgage Loans in accordance with this Agreement nor, the Authority's rights pursuant to this Agreement to collect damages.

In the event that this Agreement shall be terminated by the Authority on account of the Lender's failure to comply with the terms and conditions of the applicable manuals or with the terms hereof, then, and in that event, the Lender shall be ineligible to participate further in any program of the Authority for a period of three years. After three years the Lender may re-apply to participate in the programs of the Authority.

SECTION 11. SUSPENSION

The Authority may suspend Lender's participation in any or all programs under this Agreement for failure to comply with the terms and conditions of the applicable manuals or with the terms hereof. Suspension is at the Authority's discretion and may be for any time period the Authority deems reasonable in its sole discretion. Repeated suspensions may result in termination of this Agreement.

SECTION 12. TERMINATION

This Agreement may be terminated by either party, at any time without cause upon thirty (30) days written notice. During such notice period, Lender shall not initiate any new Mortgage Loan applications for purchase by the Authority.

SECTION 13. OTHER PROVISIONS

- A. The Lender shall, at its expense, execute all documents in the form and manner directed by the Authority and shall take all steps requested by the Authority from time to time to perform the covenants, representations, and warranties herein.
- B. The Authority reserves the right, at all times, to decline to purchase any Mortgage Loan offered by the Lender which does not conform to this Agreement and to the requirements of the applicable manuals.
- C. The provisions of this Agreement cannot be waived or modified except in writing signed by the parties hereto. Inaction or failure on the part of the Authority to demand strict performance shall not be deemed a waiver.
- D. In the event the Lender is the recipient of any funds from whatever source intended to reduce or pay the Mortgage Loan or assist in the payment of the monthly payments with respect thereto, the Lender agrees to promptly apply all such funds for the purpose intended.
- E. This Agreement shall be governed by the laws of the State of South Carolina.
- F. The Lender hereby assents to the jurisdiction of the Circuit Courts of the State of South Carolina in any action or proceedings arising out of or as a result of this Agreement, or the alleged or anticipated breach of any of the provisions, representations, or warranties contained herein or in the Application, and waives any

objection to venue in such action being placed in such county in the state as the Authority may select.

- G. All communications between the parties hereto shall be in writing and shall be deemed received or given, when mailed by First Class Mail, correct postage prepaid, addressed to the South Carolina State Housing Finance and Development Authority at 300-C Outlet Pointe Blvd, Columbia, South Carolina 29210, and to the Lender at its address as shown on its Application.

The Authority and the Lender may designate to the other party in writing, from time to time, other or different addresses to which communications hereunder shall be sent.

- H. All agreements, representations, and warranties made herein and in the Application shall survive the purchase of any and all Mortgage Loans hereunder.
- I. This Agreement may be executed in any number of counterparts all of which, taken together, will constitute one and the same instrument and either party hereto may execute this Agreement by signing one or more counterparts.
- J. Headings and titles herein are for convenience only, and shall not influence the construction or interpretation of this Agreement.
- K. If any term, covenant, condition, or provision of this Agreement or the application thereof to any circumstance shall, at any time or to any extent, be determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement or the application thereof to circumstance other than those as to which it is held invalid or unenforceable shall not be affected thereby; and each term, covenant, condition, and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.
- L. **This Agreement shall not be assignable by the Lender without the express written consent of the Authority.**
- M. All of the covenants and agreements herein contained shall extend to and be obligatory upon all successors of the respective parties.
- N. In the event of any conflict between the terms and provisions of this Agreement and the terms and provisions of the applicable manuals, the terms and provisions of the applicable manuals shall govern and shall supersede any inconsistent terms and provisions contained in this Agreement.

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[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, each party hereto has caused this Agreement to be executed by its duly authorized officer as of the day and year first above written.

This Contract is not valid until acceptance by the Authority.

(Lender Name)

BY:

(Signature of Officer)

(Typed Name of Officer)

ITS:

(Title)

(Mailing Address)

(Telephone Number)

(Date)

SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY

BY:

(Signature of Authority Representative)

(Typed Name of Authority Representative)

ITS:

(Title)

(Date)