



How to Get **FHA Approval** with PRMG!

Existing Brokers: In order to become FHA Approved with PRMG, we require the following:

- () 1. Resumes of Processor(s)
- () 2. Updated Financial Statements
- () 3. Execute the attached FHA Addendum

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Please Note: Based upon prior FHA experience, originators and processors may require additional FHA Certification and Training.



FHA Addendum to PRMG Broker Agreement

This addendum is to that certain Broker Agreement (the "Agreement"), which was entered into concurrently with this Addendum or prior to this Addendum by and between PRMG and Broker. The definitions used in this Addendum shall have the same meanings as the definitions of the Agreement. To the extent that this Addendum may conflict with any provision of Agreement, the terms and conditions of this Addendum shall control and supersede any conflicting provision in the Agreement or any previous Addendums.

Broker desires to be approved to originate FHA loans on PRMG's behalf under PRMG's FHA Sponsorship program. PRMG desires to be a willing sponsor of Broker to originate FHA loans, provided Broker has originated such loans in compliance with HUD (FHA) guidelines and the Agreement.

In addition to the various representations, warranties, and covenants contained in the Agreement, Broker represents, warrants, and covenants the following as to each FHA mortgage loan application submitted to PRMG:

- 1. Broker will not issue to Applicants a lock-in agreement unless Broker has received written confirmation of approval of the interest rate, points, and terms from PRMG.
2. Broker agrees to comply with HUD Mortgagee Letters 94-43 and 94-16, as well as any other HUD Mortgagee Letters as they relate to fees, overages, and tiered pricing. Broker also agrees to comply with regional HUD (FHA) office guidelines as to maximum allowable fees, such as origination fees, broker fees, inspection fees, attorney fees, overnight delivery fees, etc. In the event that it is discovered by a HUD audit of PRMG that excess fees or points that do not comply with HUD's guidelines have been charged, then Broker will be responsible for refunding the excess to the borrower. Underwriting approval by PRMG does not negate Broker's responsibility hereunder.
3. Broker acknowledges that Broker meets and observes all PRMG eligibility requirements for originating FHA loans under the Sponsorship status, including, but not limited to, the following:
a. Broker maintains commercial office space for the purpose of interviewing and meeting with FHA loan Applicants/borrowers, in addition to any home office from which Broker may conduct conventional loan business;
b. Broker employs loan originators and processors who possess at least one year of recent FHA loan experience, current FHA knowledge, and who have access to HUD's FHA Handbooks and Mortgagee Letters for reference; and
c. All loan originators submitting FHA loans to PRMG for Broker are employed by and compensated as employees of Broker (W2) and are not independent contractors (1099).

Should Broker's eligibility to originate or process FHA loans in compliance with HUD's FHA requirements be impaired subsequent to Broker's approval herewith, Broker shall promptly notify PRMG.

Broker understands that approval for the submission of FHA applications to PRMG may be terminated by PRMG at PRMG's sole discretion without notice to Broker. In any event, should FHA loans submitted to PRMG by Broker experience a delinquency rate in excess of 100% of the HUD HOC average at any time, Broker's FHA Sponsorship approval with PRMG may be terminated.

Broker acknowledges that Broker is sponsored by PRMG and that PRMG shall be responsible for obtaining the MIC (Mortgage Insurance Certificate) on all loans closed hereunder. Broker further agrees that if HUD denies the insurance for any reason except for acts and omissions by PRMG, Broker will take all measures to correct the deficiencies in documentation, etc., to insure the loan.

BROKER: _____

Title: _____

By: _____

Date: _____