

ZERO LOAN FRAUD TOLERANCE

All approved third-party originators (TPOs) must be aware that the licensed TPO bears the responsibility for all actions of the TPO's employees and licensees. The TPO is responsible for the content and quality of each application taken and each loan submitted to Loan House.

THE SUBMISSION OF A LOAN APPLICATION CONTAINING FALSE INFORMATION IS A CRIME

Types of loan fraud:

- Submission of inaccurate information, including false statements in loan application(s) and falsification of documents purporting to substantiate credit, employment, deposit and asset information, personal information including identity, ownership/non-ownership of real property, etc.
- Forgery of any document whether accurate or inaccurate
- Incorrect statements regarding current occupancy or intent to maintain minimum continuing occupancy as state in the security instrument
- Lack of due diligence by TPO, loan officer, interviewer, and/or processor, including failure to obtain all information required by the application and failure to request further information as dictated by the borrower's response to other questions
- Unquestioned acceptance of information of documentation that is known, should be known, or should be suspected to be inaccurate such as:
 - Simultaneous or consecutive processing or multiple owner-occupied loans from one applicant and supplying different information on each application
 - Allowing applicant or interested third party to assist with the processing of the loan
- TPO's non-disclosure of relevant information

IMPACT OF LOAN FRAUD

The effect of loan fraud is costly to all parties involved. Loan House stands behind the quality of its loan production. Fraudulent loans cannot be sold into the secondary market and, if sold, will require repurchase by Loan House. Fraudulent loans damage our reputation with our investors and mortgage insurance providers.

The price paid by those who participate in loan fraud is even more costly. The consequences to the TPO may include:

- Criminal prosecution
- Loss of license(s)
- Loss of lender access due to the exchange of information between lenders, mortgage insurance companies, submission of information to investors, including FNMA and FHLMC, police agencies, and state licensing agencies
- Civil action by Loan House
- Civil action by applicant/borrower or other parties to the transaction
- Loss of approval status with Loan House

I have read the foregoing and understand Loan House's position on loan fraud.

Company: _____

By: _____

Its: _____

Date: _____