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Pico Rivera, CA 90660
310-502-1779
Loans@IndependentProcessingServices.com
NMLS ID: 1874865

This Independent Loan Processing Services Agreement (“Agreement”) is made and entered into as of _____ (Date), by and between: _____

[Broker / Loan Officer / Mortgage Loan Originator Name], a duly licensed mortgage professional (“Broker/Loan Officer” or “MLO”), and **Independent Processing Services** (“Processor” or “IPS”), an independent third-party loan processing provider.

Broker/Loan Officer and IPS may be referred to individually as a “Party” and collectively as the “Parties.”

RECITALS

A. Broker/Loan Officer is duly licensed or registered as a Mortgage Loan Originator (“MLO”) under the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (“SAFE Act”) and applicable California law.

B. Independent Processing Services provides professional third-party loan processing services and agrees to perform such services on behalf of Broker/Loan Officer in accordance with all applicable federal and State of California laws and regulations.

C. The Parties desire to establish their respective rights and obligations while ensuring full compliance with the SAFE Act, NMLS requirements, California Department of Financial Protection and Innovation (“DFPI”) regulations, the Consumer Financial Protection Bureau (“CFPB”), and all applicable loan originator and consumer protection rules.

1. SCOPE OF SERVICES

1.1 Processing Duties

Independent Processing Services shall provide **administrative and clerical loan processing services only**, which may include:

- Gathering and reviewing borrower documentation (income, assets, employment, identification, etc.).
- Ordering and tracking third-party verifications such as VOE, VOD, appraisal, title, flood, and credit reports at the direction of the Broker/Loan Officer.
- Organizing loan files for submission to lenders and underwriting.
- Communicating loan status updates between the Broker/Loan Officer, borrower, lender, and third-party vendors; and

- Assisting with compliance review and file preparation for funding and closing.

1.2 Limitations on Authority

Processor **shall not** engage in any activity that constitutes mortgage loan origination under the SAFE Act, Regulation Z (12 CFR §1026.36), or California law, including but not limited to:

- Quoting or negotiating interest rates or loan terms.
- Locking loans.
- Recommending or steering borrowers to specific lenders or loan products; or
- Taking loan applications as an MLO.

Processor's role is strictly **administrative and clerical** in nature.

2. COMPENSATION & PAYMENT

2.1 Processing Fee

Broker/Loan Officer agrees to pay **Independent Processing Services** a flat processing fee of **\$1,295** for each loan file that successfully closes, unless otherwise agreed to in writing by both Parties.

Fee Schedule:

- **Conventional, FHA, VA, Non-QM, Jumbo, CalHFA:** \$1,295
- **HELOC / Stand-Alone Second Mortgages:** \$500–\$900
- **Resubmission Add-On Fee:** \$300

Processing Fee (if different): \$ _____

2.2 Payment Through Settlement

When permissible under applicable law and lender guidelines, the processing fee shall be disclosed on the Closing Disclosure or settlement statement and disbursed directly to Independet Processing Services by the settlement agent at closing.

2.3 Alternative Payment Method

If payment through settlement is not permitted, Broker/Loan Officer shall remit payment to Independet Processing Services immediately upon loan funding via corporate check or wire transfer.

2.4 Third-Party Costs

Broker/Loan Officer is responsible for all third-party costs incurred in connection with the loan file (including credit, appraisal, title, flood, verification, courier, and similar services), regardless of whether such services were ordered by Broker/Loan Officer or Processor.

2.5 Compliance with Compensation Rules

All compensation under this Agreement shall comply with:

- Loan Originator Compensation Rule (12 CFR §1026.36);
- Real Estate Settlement Procedures Act (“RESPA”); and
- All applicable CFPB and California consumer protection laws.

3. COMPLIANCE, LICENSING & APPLICABLE LAW

3.1 Broker / Loan Officer Licensing

Broker/Loan Officer represents and warrants that they are properly licensed or registered through the Nationwide Multistate Licensing System & Registry (“NMLS”) and shall maintain such status in good standing throughout the term of this Agreement.

3.2 Processor Licensing Status

The Parties acknowledge that **Independet Processing Services does not act as a Mortgage Loan Originator**. Its services are limited to clerical and administrative loan processing activities that do not require MLO licensure under the SAFE Act or California law.

If any jurisdiction requires licensing for the services performed, Processor shall obtain such licensing or cease providing services in that jurisdiction.

3.3 California & Federal Regulatory Compliance

Both Parties agree to comply with all applicable federal and California laws and regulations governing mortgage lending and third-party loan processing services, including but not limited to:

- SAFE Act (12 U.S.C. §5101 et seq.);
- California Financing Law (Cal. Fin. Code §22000 et seq.);
- California Residential Mortgage Lending Act (Cal. Fin. Code §50000 et seq.);
- DFPI regulations and guidance applicable to mortgage lending and servicing;
- Regulation Z (12 CFR §1026.36);
- TILA-RESPA Integrated Disclosure (“TRID”) Rules;
- Gramm-Leach-Bliley Act (“GLBA”) privacy and safeguarding requirements; and
- Any applicable NMLS policies, advisories, or enforcement standards.

4. CONFIDENTIALITY & DATA SECURITY

4.1 Confidentiality

Each Party shall maintain the confidentiality of all borrower and transaction information and shall use such information solely for purposes of performing obligations under this Agreement.

4.2 Data Protection

Each Party shall implement reasonable administrative, technical, and physical safeguards to protect Nonpublic Personal Information (“NPI”) in compliance with GLBA and California privacy laws.

5. INDEMNIFICATION & LIABILITY

5.1 Broker/Loan Officer Indemnification

Broker/Loan Officer shall indemnify and hold harmless Independet Processing Services from all claims, damages, losses, or expenses arising from Broker/Loan Officer’s origination activities, disclosures, licensing issues, or violations of law.

5.2 Processor Indemnification

Independet Processing Services shall indemnify Broker/Loan Officer for claims directly arising from Processor’s gross negligence or willful misconduct.

5.3 Limitation of Liability

Except for indemnification obligations or willful misconduct, each Party’s liability shall be limited to the total processing fees paid under this Agreement during the preceding twelve (12) months.

6. PERFORMANCE & DELAYS

Processor shall use commercially reasonable efforts to process loan files promptly but shall not be responsible for delays caused by the Broker/Loan Officer, borrower, lender, third-party vendors, or events beyond Processor’s control.

7. TERM & TERMINATION

7.1 Term

This Agreement shall remain in effect until terminated in writing.

7.2 Termination

Either Party may terminate this Agreement with thirty (30) days’ written notice. Immediate termination may occur upon material breach, loss of licensing, or violation of applicable law.

7.3 Return of Files

Upon termination, all loan files and confidential materials shall be returned to Broker/Loan Officer, and all earned fees shall remain payable.

8. BROKER / LOAN OFFICER RESPONSIBILITIES

Broker/Loan Officer shall be solely responsible for:

- a) Selecting lenders and loan products;
- b) Locking rates and negotiating terms;
- c) Collecting borrower funds and third-party fees;
- d) Issuing and ensuring accuracy of all disclosures; and
- e) Maintaining licensing and NMLS compliance.

9. MISCELLANEOUS

9.1 Independent Contractor

Independent Processing Services is an independent contractor and not an employee, partner, or agent of Broker/Loan Officer.

9.2 Governing Law

This Agreement shall be governed by the laws of the State of California.

9.3 Notices

All notices shall be in writing and delivered by certified mail, overnight courier, or confirmed electronic delivery.

9.4 Entire Agreement

This Agreement constitutes the entire understanding between the Parties.

9.5 Severability

If any provision is held invalid, the remaining provisions shall remain enforceable.

9.6 Execution

This Agreement may be executed electronically and in counterparts.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

BROKER / LOAN OFFICER / MLO

Name: _____
Signature: _____
Date: _____
NMLS ID: _____

INDEPENDET PROCESSING SERVICES

Name: _____
Signature: _____
Title: _____
Date: _____