



## LOAN FRAUD ZERO TOLERANCE DISCLOSURE

All Loan Brokers must be aware that the Broker bears the responsibility for all actions of his or her Employees and/or Licensees. The Broker is responsible for the content and quality of each loan application taken and each loan submitted to LendingPROS (“LP”). **Submission of a loan application containing false information is a crime punishable by law, is considered to be a form of Loan Fraud, and LP maintains a Zero Tolerance Policy for any type of Loan Fraud.**

### A. Types of Loan Fraud

1. Submission of inaccurate information, including false statements on a loan application and falsification and/or forgery of documents purporting to substantiate asset or deposit information, credit, employment, and/or personal information, including identity, ownership (or non-ownership) of real property
2. Incorrect statements regarding current occupancy or intent to maintain minimum continuing occupancy as stated on the Security Instrument
3. Lack of due diligence by Broker, Interviewer, Loan Originator, Processor, including failure to obtain all information required by the application and failure to request information as dictated by the Borrower’s responses to other questions
4. Unquestioned acceptance of information or documentation that is known or should be suspected to be inaccurate
5. Allowing an applicant or interested third party to assist with the processing of the loan
6. Broker’s non-disclosure of relevant information

### B. Consequences

The effects of Loan Fraud are costly to all parties involved. LP stands behind the quality of its loan production. Fraudulent loans cannot be sold to investors in the Secondary Market and if sold will require repurchase. Fraudulent loans damage LP’s reputation with those investors. The price paid by those who participate in Loan Fraud is even more costly. Following is a list of some of the potential consequences that may be incurred.

#### Potential Consequences to the Broker

Any or all of the following may occur as a result of committing loan fraud; this is not an exhaustive list:

1. Immediate loss of approval to do business status with LP
2. Civil action by LP and/or other parties to the transaction
3. Criminal prosecution
4. Loss of licenses

### C. Broker’s Zero Fraud Tolerance Statement and Signature

I have read the foregoing and fully understand LP’s position on Loan Fraud. Neither this Broker nor any party acting on this Broker’s behalf will knowingly and/or willfully engage in the practice of any loan fraud or any actions that may be defined as loan fraud that result in the origination and submission of a fraudulent loan to LP.

<b>Broker Name</b>	<b>Broker Title</b>
<b>Broker Signature</b>	<b>Date</b>
<b>Principal Officer Name</b>	<b>Principal Officer Title</b>
<b>Principal Officer Signature</b>	<b>Date</b>