



WHOLSALE MORTGAGE DIVISION

BANKER / BUSINESS APPLICATION PACKAGE

Required Document Checklist

- Business Application and Agreement
- Certificate of Secretary
- Annual Report

When completed, please send application package to:

*John Higdon
First National Bank of the South
200 N. Main Street, Suite 202
Greenville, SC 29601*

If all information has been provided, applications will be approved within 48 hours.

Thank you for your business!

APPLICATION

Company Name: _____ Tax Payer ID: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone: _____ FAX: _____

Email Address: _____

Primary Contact: _____ Phone: _____

Processors: _____

Loan Officers: _____

Do you prefer rates by email or FAX?

Email address to receive rates: _____

FAX number to receive rates: _____

Average Monthly Closed Volume: \$ _____

Top two wholesale lenders with whom you are currently doing business:

1. _____

2. _____

Favorite MI Company(ies) Used: _____

Have you ever been place on Freddie Mac or Fannie Mae's exclusionary list?

Yes No

Have you ever been cut off by an investor?

Yes No

Are you or have you ever been a party to a lawsuit?

Yes No

If yes, please explain:

Signature: _____ Date: _____

Print/Type Name: _____

Certificate of Secretary

I, _____, Secretary of _____
(secretary's name) (your company name)

a _____ corporation, do hereby certify that
(state)

_____ as _____ is
(signor's name) (title)

Empowered to execute documents binding the corporation with regard to the sale of mortgage loans to First National Bank of the South.

Witness my hand and seal this _____ day of _____, 20_____.

Secretary's Signature / Date

WHOLESALE BROKER AGREEMENT

THIS WHOLESALE BROKER AGREEMENT (the "Agreement") is made and entered into as of _____, 20__ by and between FIRST NATIONAL BANK OF THE SOUTH, a national banking association (the "Bank") and _____, an organization existing under the laws of the_____.

WITNESSETH:

WHEREAS, the Bank is engaged in the business of residential loan lending and desires to acquire secondary market eligible 1-to-4 family mortgage loans (hereinafter referred to as the "Mortgage Loans");

WHEREAS, the Broker is engaged in the business of taking 1-to-4 family residential mortgage applications and supporting documentation (hereinafter referred to as "Loan Package(s)") and the Broker desires to act as a broker for the delivery to the Bank of Loan Packages from clients (the "Borrower(s)");

WHEREAS, the Bank issues a "rate sheet" which set forth rates and amounts the Bank is willing to pay for specific types of Mortgage Loans offered. The Bank will attempt to send the Broker an updated rate sheet as it is modified. The Broker acknowledges that the price and terms will be "locked" with the Bank and only has effect when confirmed in writing by an authorized officer of the Bank.

IN CONSIDERATION OF THE FOREGOING, and other good and valuable consideration, the Bank and the Broker agree as follows:

Section 1: Representations and Warranties.

The Broker will: (1) submit to the Bank Loan Packages for Borrowers under such programs, procedures, and fee schedules as the Bank may periodically establish, (2) furnish the Bank all of the Borrower's credit, financial, and any other information as the Bank may require, (3) provide such information as the Bank may reasonably request to assist the Bank in marketing the Mortgage Loans to secondary market investors, (4) perform such other services as the Bank may require to approve, close and fund the Mortgage Loans.

The Broker will establish and maintain a compliance program to ensure that all employees and agents of the Broker understand and will adhere to the Bank's Fair Lending Statement:

"First National shall not in any way discriminate against any person on the basis of race, color, religion, national origin, ancestry, age, disability or handicap, marital or familial status, receipt of public assistance, good faith exercising of rights under the Consumer Credit Protection Act, or any other legally protected basis. This policy shall cover all dealings with loan applicants and borrowers."

Broker represents that it has the requisite authority to originate the Mortgage Loans. The Broker agrees to provide copies of such authority (e.g. licenses, approvals) to the Bank upon request.

Except as previously disclosed to the Bank in writing, the Broker represents that there are no outstanding judgments or orders against the Broker and no pending or threatened suit, action, legal, administrative or other regulatory proceeding or government investigation (e.g. allegations of fraud) against the Broker or any of its principals, agents, or employees which could have a material adverse effect on the Broker's business, assets, financial condition or reputation. During the term of this agreement, the Broker will immediately notify the Bank of the initiation or threat of any such material judgments, orders or claims.

Broker represents that it has not retained any person listed on the Freddie Mac Exclusionary list.

Broker shall have no direct or indirect ownership or financial interest in any property acting as security for any Mortgage Loan.

Broker shall not solicit a Borrower for a loan application to refinance a Mortgage Loan that the Bank closed within the preceding four months. Any such solicitation may be cause for immediate termination of the Agreement.

Broker represents that all documents and instruments submitted by the Broker to the Bank in connection with the Loan Package are in every material respect valid and genuine and comply with all provisions of applicable laws and regulations and all such documents and instruments must be approved in writing by the Bank.

To the best of the Broker's knowledge, none of the statements or information contained in any Loan Package is false or erroneous, nor is any material fact omitted which could impact a credit decision.

The delivery of the Loan Package to and acceptance by the Bank will transfer all of the Broker's right, title and interest in and to the Loan Package. As such, the Bank has the sole and complete right to sell and assign such Mortgage Loan on closing.

Broker acknowledges that the Bank will obtain private mortgage insurance from a mortgage insurance acceptable to the Bank on each Mortgage Loan as required by the loan program. Furthermore, Broker acknowledges that each Mortgage Loan will be covered by an American Land Title Association (ALTA) Lender's Policy issued by a title insurer acceptable to the Bank.

Broker warrants that for each Mortgage Loan that the Borrower will maintain a hazard insurance policy in the original principal amount of the Mortgage Loan on all improvements on the Mortgage Loan property with a standard mortgagee loss payee clause protecting the Bank, and its successors and assigns.

Broker acknowledges that the Bank will arrange for and obtain a Flood Hazard Determination on each Mortgage Loan property. If required by Lender, the Borrower must obtain Flood Hazard Insurance.

Broker warrants that all appraisals submitted to underwrite each Mortgage Loan will be in writing and are performed in strict accordance with all applicable local, state, and federal laws, regulations and orders, including but not limited to, the current Uniform Standards of Professional Appraisal Practice adopted by the Appraisal Standard Board of the Appraisal Foundation.

To the best of Broker's knowledge, all credit reports submitted to Bank to underwrite each Loan Package are true, correct and accurate in all respects and do not omit any information required to be included to make such information not misleading.

Section 2: Approval, Costs and Compensation.

The Bank will, in its sole discretion, approve or deny any Loan Package. Any costs incurred by Broker with respect to a denied Loan Package will be borne by the Broker. Any fee, commission, yield spread or other consideration due to the Broker with respect to any closed Mortgage Loan shall be paid only after the Bank deducts all of its fees and charges from the Mortgage Loan proceeds. All compensation payable to Broker shall be disclosed on the settlement statement provided to Borrower at closing. No compensation shall be due to Broker with respect to any Loan Package that the Bank does not close.

Section 3: Indemnification.

Broker shall indemnify and hold the Bank and its directors, officers and employees harmless from and against all liability, claims, penalties, fines, expenses, forfeitures, judgments, damages, losses, and reasonable attorney's fees and expenses from any cause arising out of or in connection with (1) any act or omission of the Broker or any principal, officer or employee of the Broker, (2) any failure by Broker to comply with applicable law, regulation, order, rule or other legal requirement, (3) any failure of the Broker to perform any of its obligations under this Agreement, (4) any of the Broker's failure to deliver any Mortgage Loan deliverable by Broker to Bank under this agreement in accordance with the provisions of the agreement, or (5) any claim by a loan applicant resulting from Bank's failure to approve and/or close and fund a Loan Package.

Broker's obligations to fully indemnify the Bank under this agreement shall be affected by the Bank taking any of the following actions with or without notice to the Broker: (1) liquidation, retirement, sale or resale of any Mortgage Loan, or repayment, (2) foreclosure of any Mortgage Loan, or (3) sale or resale of the property securing the Mortgage Loan.

If the Broker has collected any fees from a Borrower in connection with a Mortgage Loan that has been rescinded pursuant to applicable state or federal law or regulation, the Broker shall promptly refund all such fees to the Borrower.

If within 120 days of the funding by Bank of a Loan Package (an "early payoff"), a Mortgage Loan is paid in full, the Bank may request that the Broker refund to the Bank all fees, commissions and any other consideration paid by the Bank to Broker as a result of such initial closing.

Amounts owed by the Broker to the Bank under this Agreement may, at the Bank's option, be offset against any payments owed by the Bank to the Broker.

Section 4: Cooperation and Disclosure

Broker acknowledges and understands that Bank is a federally regulated institution and Broker agrees to cooperate with and assist the Bank in conducting the Bank's quality control program.

Broker acknowledges and agrees that in the event the Bank reasonably believes misrepresentation or fraud exists in a Loan Package, the Bank may report such beliefs or findings to the appropriate state or federal regulatory authorities, law enforcement agencies, institutional investors and agencies, mortgage insurance companies or other mortgage lenders or brokers. Broker waives any and all claims for liability, damages, or equitable relief in connection with the Bank's disclosure of such information.

Section 5: Termination

Bank or the Broker shall have the right to terminate the agreement at any time without cause. Any Loan Packages submitted to the Bank prior to the effective date of the termination will remain under the terms of this Agreement.

Bank may terminate this Agreement immediately if the Bank reasonably determines that the Broker has committed a breach of the Agreement, thereby releasing the Bank from any and all obligations to the Broker, including closing and funding any pending Loan Packages.

Section 6: Events of Default

Any of the following acts or omissions shall constitute a Default on the part of the Broker. In the event of a Default, the Bank may, at its option, terminate this Agreement.

Broker's failure to perform in any material respects any covenant or obligation under this Agreement.

Broker misrepresents or misleads Borrowers about obligations of the Bank under this Agreement, including providing false or misleading information to the Bank in connection with any Loan Package.

Broker fails to meet any capital or other financial standard imposed by any applicable regulatory authority, or Broker is placed on any department, limited denial of participation, exclusionary list of any government agency or mortgage insurance company or Broker fails to report to Bank any material adverse change in Broker's financial condition.

Broker's licenses, authorities, permits or approvals are revoked, suspended, cancelled or expired.

Broker violates any local, state, federal laws or regulations, including, but not limited to codes of ethics or professionalism.

Any representation or warranty made by or on behalf of the Broker in this Agreement that proves to be have been false or incorrect in any material respect.

Section 7: Miscellaneous.

This Agreement constitutes the entire agreement between the parties and replaces all prior agreements, representations, and understandings.

This Agreement may not be assigned, pledged or transferred by the Broker. The Bank may assign its rights and obligations under the Agreement without the consent of the Broker.

This Agreement may be amended in writing by mutual agreement of the parties.

This Agreement shall be governed by the laws of the State of South Carolina.

Any notices or communications permitted or required by this Agreement shall be in writing and shall be mailed or delivered to the address listed below the respective party's signature bellows.

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IN WITNESS WHEREOF, the Bank and Broker have executed this Agreement as of the date at the top of the Agreement.

FIRST NATIONAL BANK OF THE SOUTH

John Higdon, Senior Vice President

Corporate Address:
215 N. Pine Street
Spartanburg, SC 29302

Broker (Please Print)

Authorized Officer

Corporate Address:
