



National Loan Auditors
1820 Bonanza Street, Suite 201
Walnut Creek, CA 94596
Phone: 877-670-8822
Fax: 877-652-6680

Company Name: \_\_\_\_\_
Contact: \_\_\_\_\_
Address Line 1: \_\_\_\_\_
Address Line 2: \_\_\_\_\_
City, State, Zip: \_\_\_\_\_
Phone 1: (\_\_\_\_) \_\_\_\_\_
Phone 2: (\_\_\_\_) \_\_\_\_\_
Cell: (\_\_\_\_) \_\_\_\_\_
NLA Sales Contact: \_\_\_\_\_

National Loan Auditors (hereinafter "NLA") is pleased to provide "Forensic Loan Audit" services to the undersigned "Client", (hereinafter "Client"). This letter of agreement (hereinafter "Agreement") describes the terms on which NLA will provide and invoice Client for services.

THIS SERVICE AGREEMENT (incorporating Exhibits A and B hereto) is effective as of October \_\_\_\_\_, 2008 (the "Effective Date"), by and between National Loan Auditors Inc. ("NLA"), with its principal office located at 1820 Bonanza Street, Suite 201, Walnut Creek CA 94596, and \_\_\_\_\_, a \_\_\_\_\_ ("Client"), with its principal office located at \_\_\_\_\_.

Commencing on the Effective Date, NLA shall provide Client with Forensic Loan Audit services prepared on behalf of Client from their supplied documentation ("Client Data") and submitted by Client to NLA via NLA's FTP interface. Audits will be performed in accordance with certain compliance review methodology, using an agreed upon list of documents as agreed upon by the parties and set forth below (which such Audits are hereafter referred to as the "Audit Services") and subject to the terms and conditions set forth in Exhibit A.

NLA may modify the Audit Services from time to time to reflect changes in applicable law and/or changes in NLA's operating procedures.

Client agrees that it is their responsibility to review the validity of any legal claims or determinations stated in the audit and research any and all legal issues outlined in the Audit, including verifying the audit process, applicable laws and findings, before issuing a report to a consumer, or using such report in any in any court of law, motion, pleading, modification or negotiation process or other legal capacity.

Client may choose to provide a completed Audit to its customers, which may include attorneys and/or consumers, only after a complete review of the Audit has been performed by Client.

"National Loan Auditors (NLA) makes absolutely no representations and warranties of any kind and takes on no liability for the final Audit report findings, including incorrect findings arising from inaccurate data, improper classification of data, or erroneous interpretations of the loan data submitted to perform an Audit. The Audit reports are prepared on behalf of our Client, using leading Automated Compliance Engine Technology (ACT)."

By accepting and using the services of NLA, the attorney "Client" acknowledges that NLA are not attorneys and are not authorized to practice law in any state. It is the Client's sole responsibility to review every Audit that has been ordered by Client in order to determine the validity of any legal claims or determinations stated in the Audit.

Any additional services requested by the Client shall be created by NLA and billed on a time and materials basis.

*Client* and *NLA* agree that *NLA* shall provide loan Audit services on an individual basis or on an ongoing basis. All services will be provided under the terms of this *Agreement*, unless modified and agreed to in writing by both parties.

**1. Loan Audit Guidelines:** *Client* will supply *NLA* with all loan documents attached hereto as Exhibit A, via US mail, express delivery, or FTP (File Transfer Protocol). A review of *Client* supplied loan documents will be conducted. Findings and determinations will be limited to the actual documents supplied by the *Client*. The purpose of the Forensic Loan Audit will be to determine if the documents provided to *NLA* by *Client* regarding closed mortgage loans comply with Real Estate Settlement Procedures (RESPA), Truth in Lending Act (TILA), Home Ownership and Equity Protection Act (HOEPA), Equal Credit Opportunity Act (ECOA), Gramm-Leach-Bliley Act (GLBA), and other applicable guidelines and statutes. A Forensic Loan Audit report will be provided to *Client* detailing the purported violations, if any, their severity, and the statutory violation(s) will be specified. *NLA* does not collect documentation from consumers. It is up to *Client* to provide all necessary documentation required for a “Forensic Loan Audit” as specified in Exhibit A.

**2. Fees:** See Exhibit B attached hereto for *Client* pricing. *NLA* reviews documents and prepares a “Forensic Audit Report” representing purported lending violations found on First lien loans and Second (or HELOC, piggyback, or subordinate) liens. Pricing schedules are based on a borrower(s) and their owner occupied property supporting documentation being Audited. *NLA* reserves the right to modify pricing or its products at any time. Any price or product change will be delivered in writing and take effect 30 days after written notice has been sent to *Client*.

**3. Taxes:** *Client* will be responsible for paying any sales, use, excise or other taxes (except taxes imposed on *NLA*'s income) levied or imposed by any governmental entity or agency on or on account of the provision of services to *Client*.

**4. Statement of Account:** Audits are paid for in full with the submission of an “Audit Order” and the supporting documentation. If the *Client* fails to pay *NLA*'s, *NLA* will not perform the Audit Order. In the event that an Audit is completed, and good funds are not collected, *Client* must render funds immediately *or* *NLA* will terminate *Client* services.

**5. Mutual Non-Disclosure:** *Client* is given an absolute guarantee that the information obtained by or imparted to our personnel will be held in confidence and will not be released voluntarily to anyone, either directly or indirectly, without *Client*'s written consent. Except as otherwise specified herein, neither party shall disclose (i) Confidential Information to any third party unless authorized by the other party in advance in writing; (ii) or disclose Confidential Information to its employees, except to those on a “need to know” basis as necessary for the performance of this *Agreement*.

**6. Understandings:** *Client* agrees that *NLA* does not make and will not make any guarantees regarding the outcome of any Audit or review. *NLA* reviews *Client* supplied documentation and performs a Forensic Loan Audit report utilizing professional underwriters, auditors, and automated compliance engine technology, based on the loan information and documentation that has been provided to us by our *Client*.

**7. Arbitration:** *NLA* appreciates the opportunity to serve as *Client*'s “Forensic Loan Auditor” and anticipates a productive and harmonious relationship. If, however *Client* becomes dissatisfied for any reason with the services we have performed or the fees charged we encourage our *Client* to bring their dissatisfaction to *NLA*'s attention immediately. *NLA* is willing to discuss any issue that *Client* may have regarding service, accuracy, turn times or pricing and will make every attempt to resolve any issue. Most problems should be remedied through such communication. However, if a dispute arises that cannot be settled, *NLA* and *Client* agree to utilize the services of a California Licensed Arbitration Service.

**8. Limitation of Responsibility and Liability:** *NLA* will not be responsible for damages, theft, loss or delays causes by any subcontractor or other third parties. Should any gross error be made by *NLA* in the review or Audit of any Loan file, the extent of the *NLA*'s liability will be limited to the loss of the fee paid by *Client* to *NLA* on the particular Audit.

**9. Termination:** All parties will have the right to terminate this engagement at any time.

**10. Other:** This *Agreement* and the performance of the services shall be governed by the laws of the State of California.

Please sign and return a copy of this *Agreement* to *NLA*. Upon receipt, *NLA* will execute and return a signed *Agreement* to Client. Facsimile signatures will be considered as effective as original signatures.

Please use the following NLA Corporate contact information:

**National Loan Auditors**  
**1820 Bonanza Street, Suite 201**  
**Walnut Creek, California 94596**  
**Phone: 877-670-8822 Fax: 877-652-6680**

If there are any questions about this *Agreement*, please call us.

We look forward to working with you, and we thank you for your business.

August Blass  
CEO/President

**Accepted and Agreed by the following parties:**

**National Loan Auditors**

By: \_\_\_\_\_

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

**Client:** \_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

## **EXHIBIT A**

### **Document Checklist**

The following documents are required to perform a complete Forensic Loan Audit. In the event of missing documents, NLA not be able to calculate specific statutes or violations. In this event NLA will mark line item as non complete or N/A. NLA reserves the right to change or modify this list at any time, without prior notice.

<b>Documents needed to begin Audit process (part of submission packet)</b>	
Completed National Loan Auditors' Cover Page Form	
Completed National Loan Auditors' Borrower Signature Authorization	
Full Payment for cost of audit (Payable to National Loan Auditors)	

<b>Documents Required To Perform Federal and State High Cost Loan Test, Federal TILA Test, State Regulations Test and State Restricted Fees Test</b>	
Initial Estimated and Certified Final HUD-1 or 1A.	
Estimated Closing Statement	
Final Truth-In-Lending Disclosure and Itemization of Amount Financed	
Note: with Endorsements, Modifications, Attachments, Riders, Addendums If more than one loan: be sure to include copies of all notes	
Prepayment Rider (if applicable)	
Buy down Agreement (if applicable)	
Mortgage Insurance Certificate (if applicable)	
Information of estimated current market value (subject property) and DTI ratio	
Section 32 Disclosure (if any)	

<b>Documents Required To Perform Following Additional Tests</b>	
<b>Federal RESPA Test</b>	
Early Good Faith Estimate prepared by mortgage broker	
Early Good Faith Estimate prepared by lender	
Initial Truth-In-Lending Disclosure prepared by lender	
Initial Loan Application (FNMA 1003) or Uniform Residential Loan Application)	
<b>California Per Diem Interest Test</b>	
Disclosure Concerning the Charging Per Diem Interest on California Mortgage	
<b>Rescission Test (Refinance only)</b>	
Notice of Right To Cancel (Notice of or Right of Recession)	
<b>Escrow /Impound Account Test</b>	
Escrow Waiver	
Escrow / Impound Account Agreement	
<b>First Payment Date Test</b>	
First Payment Notice To Borrower	
Hardship Letter - For first payment due less than 30 days after closing of escrow	
<b>Review Stated Income in the Applications</b>	
Initial Loan Application (FNMA 1003) or Uniform Residential Loan Application)	
Final typed Loan Application (FNMA 1003) or Uniform Residential Loan Application, from your closing)	
<b>Review Unauthorized Order Credit Report</b>	
Borrower's Authorization (initial)	
Credit Report (ordered by broker)	
<b>Review Appraisal Report</b>	
Appraisal Report	

<b>Additional Documents Which Will Improve Accuracy of Audit</b>	
Second Lien Documents with subordination agreements (if applicable)	
FEMA Standard Flood Hazard Determination	
Hazard Insurance Documents (include flood, wind, other applicable policies)	
Sales Contract with all Addendums (if applicable)	
Appraisal (from time loan was made)	
Title Commitment and / or Title Policy and Survey or Platt	
All State Disclosures	
Home Owners Insurance Declarations Page (the current insurance on the home)	
Property Tax Bill/Statement (most recent statement or printout from tax authority)	

**EXHIBIT B**

**Client shall receive negotiated pricing structure based on monthly production, please call to discuss.**

**Pricing will be negotiated and agreed to between both parties:**

<p><b>National Loan Auditors</b></p> <p>By: _____</p> <p>_____</p> <p>Print Name</p> <p>_____</p> <p>Date</p>	<p><b>“CLIENT”:</b> _____</p> <p>By: _____</p> <p>_____</p> <p>Print Name</p> <p>_____</p> <p>Date</p>
---	--