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F.A.Q.s

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Q: How do I get started? How long does it take and what is the cost?

A: Complete the [Employee Agreement](#) and email it to us today with supporting documentation. There is a \$195 fee payable by credit card via Paypal (go to www.paypal.com and click on send money and enter our email address) or certified check. Back ground checks are ordered upon receipt of the fully completed Employee agreement and fee. Our background check is an extensive third party previous employment, soft pull credit, criminal and civil investigation. The set up process generally takes one week or less. "If" your state requires a branch license than that fee will be due after the background check is complete and you application is approved. Upon receipt of the branch licensure fee your branch will be activated.

Q: When and how is a CRL Home Loans Employee compensated? W2 or 1099?

A: CRL Home Loans is compliant with IRS, State and HUD Regulations in regards to pay. All loan commissions are W-2. Branch business expenses are reimbursable with pre tax / pre W2 funds, see FAQ - How are expenses paid?

W2 pay will be issued twice per month. Pay periods are the 1st – 15th and 16th – 31st. Your file must clear QC three days prior to be included in that pay period. Checks are mailed within a few days and can take up to a week to reach you. Direct deposit is strongly encouraged. You have the option of selecting 9 for the withholding or blocking federal and state income tax from your W2 to increase your net income (check with your accountant). Rush issuance of W2 is available at a minimal fee. In the case of a rush the check is usually cut the same day.

All files and conditions are QC'd within one business day of receipt.

Q: Lead generation and pricing engine?

A: CRL Home Loans has negotiated an inexpensive, high value, volume based lead program that can be tailored to your individual needs. Experience the benefits of volume pricing and watch your profits soar! We also have hi-tech software to search CRL Home Loans lenders to let you know who is offering the lowest rate and highest rebate.

Q: Title, escrow, appraisal, credit?

A: You may choose your own title, escrow and appraisal providers. All appraisals must be COD made payable to the appraiser. You may not collect fees for appraisals up front or at closing. The Employee or the borrower must pay the appraiser prior to inspection. If the COD appraisal policy is violated it may result in the reserve account being increased or termination. We ask that you use the credit report company of our choosing for compliance reasons. The credit application and further details are available to Employees. At no time will the Employee ever accept up front fees for any service as this violates laws concerning trust accounts.

Q: How are expenses paid?

A: The Employee will forward to the corporate office qualified expenses related to the operation of the retail office so that we may cut a reimbursement check to you personally or



payment directly to the vender if desired (direct deposit available). Expenses are paid with pre tax / pre W2 funds.

Q: How is Employee revenue accounted for?

A: You will receive 175 to 275 bps of the loan amount depending on your experience and optional branch allocation plan for qualified expenses.

Q: Why would a mortgage professional consider becoming a CRL Employee?

A:

1. Independence: As an Employee you set your own hours and income levels.
2. Multi State Origination.
3. Easily met reserve requirements.
4. Investor Relations: You choose the investors you want to use and we get you set up. Many lenders have strict requirements such as brick and motor locations, audited financials, bonds, high net worth, etc.
5. Direct Deposit Compensation.
6. To reach new business heights: If you can imagine it, we can help you get there!
7. To get volume based pricing on lead generation.
8. Better than average pay scale.
9. Coming soon – non disclosure of YSP with correspondent lending.

Q: Are there production guidelines set for Employees?

A: Yes, CRL Home Loans requires an average of one loan a month / or a minimum closed volume necessary to maintain a net profit. We review this on a quarterly basis so if you do three loans in one month and zero loans for two months that is fine.

Proof of previous production is required with your application and this can be funded pipeline reports, W2's, etc.

Q: Licensing, continuing education and exclusivity?

A: If your home state requires a loan originator license then you must have that license to work with us. We also require exclusivity meaning you may not work for more than one mortgage company at a time.

Q: Can I sell Real Estate?

A: A loan originator working for a HUD approved lender may not sell real estate or be employed by a real estate sales company during the course of their employment. One may own a real estate sales company however they cannot receive income via 1099 or W2 from that company, they may only receive a K1 at year end. The owner of said company may not participate in any real estate sales.

<http://www.hud.gov/offices/adm/hudclips/handbooks/hsgh/4060.1/40601c2HSGH.pdf>

Section 2-9 A, D, G.

Q: LOS and technology requirements?

A: We use Calyx Point, desktop version. You are required to maintain and work from an up to date copy. You may purchase a full license from Calyx (approx \$395 first year, \$200 annual renewals).

Proficiency with scanning technology is required. Funded file packages are transmitted to us electronically as a single attachment in PDF so understanding how to merge attachments and scan at the correct resolution to minimize file size is a must. If you are unable to scan we will accept your hard copy and scan it for you at a minimal fee.

Q: Are you FHA / VA approved?

A: Yes we are FHA and VA approved, meaning we can originate FHA and VA loans in the states we are licensed in.

Q: May I process my own loans?

A: The first 3-5 files must be processed by corporate processors (at a fee of \$595), to make sure you are adhering to compliance requirements. Yes, you or a contract processor may process your loans where the law allows. Complete guidelines on processing and origination are available to Employees and should be reviewed prior to originating your first loan and followed at all times. Certain states require loan processors to be W2 employees of CRL Home Loans. In these cases you must have your processor pass our criminal background check prior to processing the loan and the processor must receive W2 pay on the file. Alternatively you may use our corporate W2 loan processors. There are no exceptions to this rule, first offense



may result in termination and commissions will not be earned on files out of compliance in this area. It is important that we comply with the state laws so we can maintain our licensure.

Q: What lenders are you approved with?

A: [Partial Lender List](#)

Click on the above link to see a partial list of our lenders.

Q: What states are you licensed in and what are the license numbers?

A: [Licensed States](#)

Click on the above link to see our licensed states and state required disclosures.

Licensing Disclosures

Texas Mortgage Company License, CRL Home Loans, Inc. is licensed under the laws of the state of Texas and by state law is subject to regulatory oversight by the Texas Department of Savings and Mortgage Lending. Any consumer wishing to file a complaint should complete, sign, and send a complaint form to the Texas Department of Savings and Mortgage Lending, 2601 North Lamar, Suite 201, Austin, Texas 78705. Complaint forms and instructions may be downloaded and printed from the department's web site located at <http://www.sml.state.tx.us/> or obtained from the department upon request by mail at the address above, by telephone at its toll-free consumer hotline at 1-877-276-5550, by fax at (512) 475-1360, or by e-mail at smlinfo@sml.state.tx.us. The department maintains the mortgage broker recovery fund to make payments of certain types of judgments against a mortgage broker or loan officer. Not all claims are compensable and a court must order the payment of a claim from the recovery fund before the department may pay a claim. For more information about the recovery fund, please consult Subchapter F of the Mortgage Broker License Act on the department's web site referenced above.

<http://www.nmlsconsumeraccess.com/EntityDetails.aspx/COMPANY/390964>

Licensed Locations

Corporate Office: 3901 S. 56th St., Tacoma, WA 98409

Doing Business As

CRL Home Loans, Inc.

Q: Stated income loans?

A: Stated income is best defined as the borrowers true and fully verifiable income; however for the purposes of a loan the lender is allowing reduced documentation.

CRL Home Loans requires executed 4506T's and VOD's verifying all income and assets on loans.

Q: What if I want to terminate the agreement?

A: Either party, CRL Home Loans or the Employee, can terminate the agreement at any time.

Q: Misrepresentation and lender relationships?

A: Misrepresentation on a loan is the worst possible situation for a company to be placed in. The harm caused by misrepresentation is far reaching: it can cost the company its licenses, lender relationships, agency approvals, monetary and criminal consequences as well as hurting the industry and the borrowers in general.

CRL Home Loans expects its Employees to catch misrepresentation in a file before it is sent to a lender. This level of professionalism is shown with redundant levels of quality control. You must have various checks and balances in place to protect the integrity of your loan file.

In the event that a lender terminates their lending relationship with CRL Home Loans due to a specific Employee then that Employee and the office he or she works with will be terminated without question. You as an Employee of CRL Home Loans must go to any length to protect, cherish and nurture our lender relationships. Lenders and licenses are our lifeline to success.

Pull through ratios on submitted and locked loans are also critical to our relationships with the lenders. CRL Home Loans desires a 75% pull through ratio on all locked loans and locks should not be executed until the file is at a stage where there is little to no chance of fall out. All the



large lenders (Provident Funding, Wells Fargo, Flagstar, Bank of America, etc.) closely monitor these ratio's and terminate relationships for poor performance. For instance Bank of America had 22,000 approved brokers in 2008, in 2009 they had 4,000 due to terminating relationships for poor pull through, that is approximately an 80% cut which shows how serious the lenders are at rooting out the underperforming brokers. Access to these lenders is vital to any companies success so we strictly enforce their requested performance ratios.

Q: Do you have reserve account requirements?

A: Yes we have easily met reserve requirements starting at \$1,000. This account may be funded in full from your first funding.

Q: Do you have E&O Insurance and what is the branches share of the expense?

A: Yes we carry E&O and the branch shares in the expense at a rate of \$100 per month (not per file).