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

**A:** Complete the [Associate 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](http://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 associate 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 Associate compensated? W2 or 1099?**

**A:** CRL 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 two days prior to be included in the 15<sup>th</sup> payroll. 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.

All files and conditions are QC'd within two full business days of receipt.

**Q: Lead generation and pricing engine?**

**A:** CRL 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 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 Associate or the borrower must pay the appraiser prior to inspection. If the COD appraisal policy is violated it may result in a reserve account being established 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 Associates. At no time will the Associate ever accept up front fees for any service as this violates laws concerning trust accounts.

**Q: How are expenses paid?**

**A:** The Associate will forward to the corporate office allowable 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 Associate revenue accounted for?**

**A:** On a single transaction where the broker proceeds are \$10,000.00 and under: You get 100% commission minus a small flat per file fee of \$595. This fee structure accounts for the vast majority of the files we do. Approximately 19 out of 20 loans fit into this category.

On a single transaction where the broker proceeds exceed \$10,000.00: you get 90% of the gross fees.

This is a per file fee, not cumulative on a monthly basis.

The reason for the second fee structure is that larger loans have a greater liability to the company in the event of a lender requiring a loan repurchase for non performance or a lender requiring repayment of YSP, legal fees, etc. for an early payoff. Any fee payable to CRL will count towards this price change point.

**Q: Why would a mortgage professional consider becoming a CRL Associate?**

**A:**

1. Independence: As an Associate 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. 100% Commissions.
9. Coming soon – non disclosure of YSP with correspondent lending.

**Q: Are there production guidelines set for Associates?**

**A:** Yes, CRL requires an average of six units per quarter and / or a minimum closed volume necessary to maintain a net profit. We review this on a quarterly basis.

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:** We have a partnership with Financial Strategies to provide you with state by state continuing education as needed at a discounted rate [Online Training](#). 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. If you are a California resident we require that you have a DRE License.

\*If you are a California DRE Broker we require that you have no other licensed affiliation. Any corporate or entity licenses attached to your Broker license must be terminated. So must any DBA's.

**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/hsg/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 discounted seat under CRL's Point Central license (approx \$200 first year, \$100 renewals) or you may buy a full license from Calyx (approx \$425 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 nationally 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:** Yes, you or a contract processor may process your loans. Complete guidelines on processing and origination are available to Associates 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. 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 paid out on files out of compliance in this area. It is important that we comply with the state laws so we can maintain our licensure. States currently affected are AL, AZ, ID, KY, SC, TN and WA. Please see the guidelines for an up to date list of states affected as this list is not the official list.

**Q: What lenders are you approved with?**

**A: [Partial Lender List](#)**

Click on the above link to see 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.

CRL is licensed for commercial loans nationwide.

*Licensed by the California Department of Real Estate; Connecticut BROKER ONLY, NOT A LENDER; Illinois Residential Mortgage Licensee, License # MB.6760516; Kansas Licensed Mortgage Company, License # 2007-5345; Maine License # CSO 9791; Licensed by the Mississippi Department of Banking and Consumer Finance; Licensed by the New Hampshire Banking Department; Texas Mortgage Broker, License # 73930.*

*Licensed Location: 4100 Campus Dr #230, Newport Beach CA 92660*

*Doing Business As*

*CRL: All states except as noted.*

*Cole Realty and Lending, Inc.: IL, KS, MA, MI, NC, NH, ONLY*

**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. Executed 4506T's must show the same income as the 1003.

**Q: What if I want to terminate the agreement?**

**A:** Either party, CRL or the Associate, 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 expects its associates to catch all 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 due to a specific associate then that associate and the office he or she works with will be terminated without question. You as an associate of CRL 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 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, they currently have 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 at a rate of \$100 per loan and should be fully funded within three months.

**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 for the average producing branch.