

## ZERO TOLERANCE FRAUD DISCLOSURE

All Wholesale Loan Brokers approved by Sky Mortgage Wholesale Lending Solutions a DBA of Home Mortgage Alliance Corporation ( "SKY" ) must be aware that the licensed real estate broker, mortgage lender, mortgage banker or loan broker (collectively, the "Originator") bears the responsibility for all actions of the Originator's employees or licensees. The Originator is responsible for the content and quality of each application taken and each loan submitted to Sky.

### Types of Loan Fraud:

- Submission of inaccurate information, including false statements on loan application(s) and falsification of documents purporting to substantiate credit, employment, deposit and asset information, personal information including identity, ownership/non-ownership of real property etc.
- Forgery of partially or predominantly accurate information.
- Incorrect statements regarding current occupancy or intent to maintain minimum continuing occupancy as stated in the security instrument.
- Lack of due diligence by Originator/loan officer/interviewer/processor, including failure to obtain all information required by the application and failure to request further information as dictated by Borrower's response to other questions
- Unquestioned acceptance of information or documentation that is known, should be known, or should be suspected to be inaccurate.
  - Simultaneous or consecutive processing of multiple owner-occupied loans from one applicant supplying different information on each application.
  - Allowing applicant or interested third party to "assist with the processing of the loan."
- Originator's non-disclosure of relevant information.

### Impact of Loan Fraud

The effects of "Loan Fraud" are costly to all parties involved. Sky stands behind the quality of its loan production. Fraudulent loans cannot be sold into the secondary market and, if sold, will require repurchase by SKY. Fraudulent loans damage our reputation with our investors. The price paid by those who participate in "Loan Fraud" is even more costly. The following is a list of a few of the potential consequences that may be incurred:

### Consequences to Originator

1. Criminal prosecution.
2. Loss of Originator's license.
3. Loss of lender access due to exchange of information between lenders, mortgage insurance companies including submission of information to investors (Freddie Mac/Fannie Mae), police agencies, and the State Licensing Agencies.
4. Civil action by SKY.
5. Civil action by applicant/borrower or other parties to the transaction.
6. Loss of approval status with SKY.

I have read the foregoing and understand SKY's position on "Loan Fraud".

---

COMPANY NAME Company NMLS #

---

SIGNATURE OF PRINCIPAL OFFICER

