

DEFINITIONS

A Bank/Credit Union Lender is a lending institution that is regulated by and in good standing with its applicable federal and/or state banking/credit union regulatory agency.

A Non-Bank/Non-Credit Union Lender is any other institution actively engaged in mortgage lending in North Dakota. Approval of a Non-Bank/Non-Credit Union Lender is strictly at the Agency's discretion and the Agency reserves the right to waive any of the Non-Bank/Non-Credit Union Lender qualifications listed below.

ELIGIBILITY QUALIFICATIONS APPLICABLE TO "BANK/CREDIT UNION LENDER"

1. Must maintain an origination office within North Dakota.
2. Must have a blanket fidelity bond and errors & omissions (E&O) insurance coverage each in a minimum amount of \$300,000 in effect at all times with the Agency listed as a certificate holder.
3. Must have in place and can demonstrate enforcement of a Quality Control Plan (QCP) acceptable to the Agency.
4. Must complete the Agency's new lender training.

ELIGIBILITY QUALIFICATIONS APPLICABLE TO "NON-BANK/NON-CREDIT UNION LENDER"

1. Must maintain an origination office within North Dakota.
2. Must have operated an origination office in North Dakota for at least two years prior to applying to be a Participating Lender and have originated at least \$6,000,000 annually during this period.
3. Must originate loans using own funds or have a warehouse line of credit (LOC) of a minimum of \$1,000,000.
4. Must originate and successfully sell a minimum of 10 loans per year to the Agency.
5. Must maintain, at all times, a minimum net worth of \$500,000 if enrolled under the Agency's Credit Review Service (CRS). If this service is not used, a minimum net worth of \$1,000,000 must be maintained at all times.
6. Must have a blanket fidelity bond and errors & omissions (E&O) insurance coverage each in a minimum amount of \$300,000 in effect at all times with the Agency listed as a certificate holder.
7. Must have in place and can demonstrate enforcement of a Quality Control Plan (QCP) acceptable to the Agency.
8. Must provide, annually, documentation indicating compliance with the National Mortgage Licensing System (NMLS) unless specifically exempted from the NMLS and that it is in good standing with the North Dakota Department of Banking and Financial Institutions. Must provide the Agency with the NMLS identification number of each employee that is subject to the NMLS.
9. Must annually provide audited financial statements or acceptable alternatives and additional reports as determined solely by the Agency to the Agency.
10. At its discretion the Agency may require enrollment in the Agency's Credit Review Service (CRS) for all loans originated for sale to the Agency.
11. Must complete the Agency's new lender training.

Any Non-Bank/Non-Credit Union Lender deemed not in compliance with the previous criteria, and such noncompliance has continued for one year after such determination, shall be notified by the Agency that the Lender has one additional year to regain full compliance. If after one year (end of second year) the noncompliance condition has not been cleared by the Agency, the Non-Bank/Non-Credit Union Lender shall be terminated from further participation.