



CAPITAL ALLIANCE

100 Pine St., #2450, San Francisco, CA 94111

Tel: 415/288-9575 ■ Fax: 415/288-9590

Loan Submissions: 415/962-4046 or www.Calliance.com/brokers

BROKER SUBMISSION CHECKLIST

Dear Originator:

Thank you for your interest in becoming an approved Wholesale Loan Broker for Capital Alliance. Broker approval is required before funding any approved loans. In order to become an approved broker, please submit the following:

- Broker Information Request (signed)
- Wholesale Brokerage Agreement (signed)
- Broker Loan Fraud Policy Acknowledgement (signed by broker of record and principal/officer)
- W-9 Tax Form (signed)
- Articles of Incorporation (if applicable)
- Corporate Resolution outlining officer's authority (if applicable)
- Copy of current Business License
- Copy of Broker's License (if corporation, **please, include both the broker and corporate license**)
- Copy of Department of Corporations License (if applicable)
- Current Financial Statements (within last 3 months)
- Most Recent Year to Date Profit and Loss Statement (within last 3 months)
- Resumes of Broker, Owner(s)/Principal(s), Officers and Senior Loan Processor
- Email Request Form
- Optional:** User Request Form for our Online Pricing and Underwriting System ("OPUS")

Your application will be reviewed and processed in a timely manner after receipt of your complete package. Please note that extra time may be involved if your package is incomplete.

We look forward to your joining our family of Capital Alliance approved brokers. Our goal is to establish a lasting and mutually profitable relationship with your firm. Please do not hesitate to call if you have any questions.

Thank you.



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BROKER INFORMATION REQUEST

ACCOUNT EXECUTIVE: _____ Date: _____

Full Company Name: _____

Address: _____ City: _____ State: _____ Zip: _____

List Other DBA's: _____

Phone Number: (____) _____ Fax Number: (____) _____

Company E-Mail Address: _____ Social Security or Federal Tax I.D. No.: _____

Contact Person(s): _____

Type of Business: _____ Date of Incorporation: _____

Proprietorship/Partnership/Corp.

Principal(s) of Company:

Name	Title	SSN
_____	_____	_____
_____	_____	_____
_____	_____	_____

States Doing Business/Licensed In: _____

License No., Type and Exp.: _____

Broker Corporate State

Broker Corporate State

No. of Loan Officers: ____ **PLEASE ATTACH CURRENT ROSTER OF ALL EMPLOYEES and LOAN OFFICERS by LOCATION in BOTH the CORPORATE or BRANCH OFFICES.**

Avg. Mo. Production Volume of Residential Loans: \$ _____

_____ % Conforming/Government _____ % Sub-Prime
 _____ % Jumbo "A" or Jumbo "Alt A" _____ % Hard money (pure equity)

Trade References: (please provide company name, contact and phone no.)

1. _____ (____) _____
2. _____ (____) _____

Lender References: (please provide company name, contact and phone no.)

3. _____ (____) _____
4. _____ (____) _____

Do you have a warehouse line? ____ Yes ____ No. If yes, how much? _____

Which two companies buy/fund the majority of your loans? _____

Everything that I have stated in this application is correct to the best of my knowledge. I understand that you will retain the application whether or not it is approved. You are authorized to check my references in connection with this application.

Signed: _____

Name

Title

Date



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WHOLESALE BROKERAGE AGREEMENT

THIS WHOLESALE BROKERAGE AGREEMENT is entered into as of the _____ day of _____, 20_____, by and between Capital Alliance (“Lender”), and _____ (“Broker”), with reference to the following facts:

A. Lender is engaged in, among other things, mortgage lending, and desires to approve, close and fund loans secured by a first or second priority lien on residential real property which are submitted to Lender by third party originators.

B. This Agreement is entered into by the parties in order to establish the terms and conditions for the origination and funding of first or second lien residential mortgage loans and the relationship and responsibilities of Lender and Broker with respect thereto.

NOW, THEREFORE, in consideration of the foregoing matters and the mutual covenants hereinafter set forth, the parties hereto agree as follows:

1. Approval of Broker. Subject to the terms, conditions and limitations hereinafter set forth, Lender hereby approves Broker as a residential loan correspondent, and agrees to review applications for the first- or second-lien residential mortgage loans (“Loans”) submitted to Lender by Broker.

2. Broker’s Submission Responsibilities. Broker shall use its best efforts to solicit and complete loan application packages, including credit and employment verifications, an appraisal, title insurance, and based on a loan request program, income verification; and all other information and documentation required by Lender (“Loan Application Package”) for submission to Lender. Each Loan Application Package, and Broker’s activities hereunder, shall be subject to , and shall comply with, the terms and conditions of this Agreement and Lender’s Loan Submission Guidelines (the “Guidelines”), as the same may be amended from time to time.

3. Loan Programs. All Loan Application Packages submitted by Broker to Lender hereunder shall be submitted only for those types of residential mortgage loan programs as are offered by Lender under this Agreement from time to time. Lender will publish a list of program guidelines from time to time, which may include provisions for eligible property types, loan limits, loan-to-value ratios, interest rates, points and fees. Notwithstanding the foregoing provisions, Broker acknowledges that the interest rates, points and other terms of such loan programs are subject to change and that Lender reserves the right to modify, add or discontinue loan programs subject to this Agreement.

4. Submission, Registration and Rate Lock Protection. The procedures for the submission and registration of each Loan Application Package and for the protection of the interest rate and points of each Loan to be funded hereunder are set forth in the Guidelines, as amended by Lender in its sole discretion from time to time.

5. Appraisals and Credit Reports. Broker shall provide an appraisal for each Loan Application Package, which appraisal shall be performed by an appraiser (a) whose qualifications are approved by Lender in writing, (b) who holds a valid certification or registration from the applicable state authority with oversight of appraiser’s activities, and (c) who has no interest, direct or indirect, in the real property subject to the appraisal, and (d) who will not receive compensation which is affected by the approval or declination of the applicable loan. All appraisals submitted by broker will be reviewed using Lender’s appointed appraisal company for desk or field reviews. All credit reports submitted in connection with Loan Application Packages must be provided from Broker. Lender will run a merged credit report (three repositories) for loan underwriting. The cost of all appraisals and credit reports submitted in connection or ordered by Lender with any Loan Application Package shall be borne by Broker, and Lender shall have no responsibility for such cost.

6. Underwriting. Notwithstanding any other provision of this Agreement to the contrary, the decision whether any Loan shall be approved for funding, and the terms of such Loan, shall be the sole responsibility, and at the sole discretion of, Lender. Lender will, by written notification, approve or decline each loan application submitted in accordance with Lender's then-current lending and underwriting policies. Each Loan Application Package shall be underwritten in accordance with the then-current guidelines as they pertain to the loan program requested. Lender shall have no obligation, express or implied, to fund any Loan which is not approved in writing by Lender. Broker shall be responsible for informing each loan applicant of the matters set forth in this Paragraph.

7. Funding. All Loans shall be closed in the name of, and shall be funded by, Lender. Broker hereby releases all interest in the loans, including, without limitation, all servicing rights, to Lender.

8. Compensation to Broker. If the submission of a Loan Application Package by Broker to Lender results in the closing (funding) of a loan by Lender, then Lender shall pay the Broker a fee in an amount to be determined based on policy and loan programs of Lender then in effect. Any compensation earned by or otherwise owing to Broker for any services in connection with Broker's activities pursuant to this Agreement shall be payable solely by the loan applicant. Notwithstanding the foregoing provisions, Broker shall fully, accurately and promptly disclose such fees or charges to Lender in order that Lender may make any required disclosures to the loan applicant, and to verify the accuracy thereof.

9. Non-exclusive Relationship. In its sole discretion, Lender may use other loan brokers, and Broker may submit loan applications to lenders other than Lender. Nothing contained herein shall be construed as granting to Broker any exclusive right, whether with respect to time, territory or subject matter.

10. Independent Contractor. In the performance of its obligations under this Agreement, Broker shall be deemed to be acting as an independent contractor and agent and representative of the loan applicant, and not of Lender. There shall be no partnership, franchise, joint venture or any other association between Lender and Broker arising hereunder.

11. Limitations on Broker's Authority. Broker's authority pursuant to the Agreement shall consist solely of offering Lender's approved first and second lien residential mortgage loan programs and processing Loan Application Packages pursuant to this Agreement at its own expense and risk. Broker has no authority, express or implied, to bind Lender in any manner whatsoever. No statement or representation of Broker shall be binding upon Lender unless such statement or representation is in writing and signed, printed or published by an authorized employee of Lender.

12. Broker's Compliance Obligations. Broker shall maintain at all times in good standing any and all required business and professional licenses, and shall comply with all business tax requirements and all state and federal laws, rules and regulations which apply to Broker because of Broker's activities as mortgage broker for its loan applicant clients, including, but not limited to, the Fair Credit Reporting Act, the Equal Credit Opportunity Act, the Truth in Lending Act, the Real Estate Settlement Procedures Act, the Home Mortgage Disclosure Act, state licensing laws, all regulations promulgated in connection therewith, and government monitoring regulations and disclosure laws in connection with Broker's solicitation and processing of Loan Application Packages.

13. Broker's Warranties. Broker hereby warrants and represents to Lender as follows, which representations and warranties shall be deemed to be made as of the date of this Agreement, as of the date each Loan Application package is submitted to Lender, and as of the date each Loan is funded:

a) Broker is a corporation, duly organized, validly existing and in good standing under the laws of jurisdiction in which it organized, or is a sole proprietorship validly registered to do business under the name set forth in this Agreement, has all licenses necessary to conduct its business as it is now being conducted, and is licensed and qualified to transact business and is in good standing in the states in which the property to be encumbered in connection with the Loan(s) is located. Broker has the power and authority to own its assets and to carry on its business as it is now being conducted and is in compliance with all applicable laws governing the business of residential mortgage lending.

b) This Agreement has been duly authorized, executed and delivered to Lender and constitutes the valid and legally binding obligation of Broker, enforceable in accordance with its terms, except as to the effect of bankruptcy, insolvency, and other laws affecting the rights of creditors generally.

- c) The performance by Broker of Broker's obligations hereunder will not violate any provisions of the articles of incorporation or bylaws of Broker, or of any instrument relating to the conduct of Broker's business or of any other instrument or agreement to which Broker is a party.
- d) There is no action, suit, proceeding or investigation pending or threatened against Broker which, either in any one instance or in the aggregate, may result in any material adverse change in the business, operations, financial condition, properties or assets of Broker, or in any material impairment of the right or ability of Broker to conduct its business substantially as it is now being conducted, or which would draw into question the validity of this Agreement, the Loans or any action taken or to be taken in connection with the obligations of Broker contemplated by this Agreement, or which would be likely to impair materially the ability of Broker to perform its obligations under this Agreement.
- e) Broker has obtained, and will maintain in full force and effect during the term of this Agreement, all licenses and authorizations necessary to do business and perform its obligations under this Agreement in all appropriate jurisdictions.
- f) No person or entity other than Broker or Lender is involved in the taking or processing of each Loan Application Package.
- g) All information regarding Broker, which is furnished from time to time by Broker to Lender, is true and correct in all material respects as of the date or dates such information is furnished.
- h) Broker has full right and authority to assign and transfer each Loan Application Package to Lender, and such right to assign and transfer is not subject to any other person's or entity's interest or to an agreement with any other person or entity.
- i) Each Loan Application Package was taken and processed by Broker, and any compensation due Broker is in compliance with all applicable federal, state, and regulations, including but not limited to state usury laws, state licensing laws, the Fair Credit Reporting Act, the Equal Credit Opportunity Act, the Truth Lending Act, and the Real Estate Settlement Procedures Act.
- j) To the best of Broker's knowledge, after due inquiry, there does not exist any circumstance or condition with respect to the Loan Application Package, the property to be encumbered, the loan applicant, or the loan applicant's credit standing which (i) can be reasonably expected to cause private institutional investors to regard the Loan as unacceptable for investment purposes, (ii) may cause the Loan to become delinquent, or (iii) may adversely affect the value or marketability of the Loan.
- k) Each Loan Application Package submitted by Broker to Lender is true and correct in all material respects and does not fail to include any information required to be stated or necessary to make each such Loan Application Package not misleading.
- l) No Loan Application Package registered with Lender is or will be registered with another lender unless Lender issues an underwriting declination or the Loan Application Package is withdrawn for non-pricing reasons.
- m) The knowledge of lender of any breach of any of the foregoing warranties at the time of acceptance of any Loan Application Package or closing of any Loan shall not impair or constitute a waiver of any obligation of Broker with respect thereto. The representations and warranties set forth in this paragraph shall survive delivery to and funding by Lender of the related Loan and shall survive the termination of this Agreement.

14. Lender's Warranties. Lender hereby represents and warrants to Broker as follows:

- a) Lender is a corporation, duly organized, validly existing and in good standing under the laws of the State of California, holds licenses and is registered to conduct its business as it is now being conducted, and is licensed and registered to transact business and is in good standing in the states in which the property to be encumbered in connection with the loan is located. Lender has the power and authority to own its assets and to carry on its business as it is now being conducted and is in compliance with all applicable laws governing the business of residential mortgage lending.

b) This Agreement has been duly authorized, executed and delivered to Broker and constitutes the valid and legally binding obligation of Lender, enforceable in accordance with its terms, except as to the effect of bankruptcy, insolvency and other laws affecting the rights of creditors generally.

c) The performance by Lender of Lender's obligation hereunder will not violate any provisions of the articles of incorporation or bylaws of Lender, or of any instrument relating to the conduct of Lender's business or of any other instrument or agreement to which Lender is a party.

The representations and warranties set forth in this paragraph shall survive the termination of this Agreement.

15. Broker Agrees to indemnify, defend and hold harmless Lender and its directors, officers, agents and employees from any liability or loss whatsoever, including but not limited to, damages, penalties, fines, costs, expenses and attorney's fees arising out of or connected with (a) any breach of any representation, warranty or obligation of Broker contained in this Agreement, the Guidelines or any other documentation delivered in connection with this Agreement, (b) any negligent or willful act or omission by Broker in the performance of Broker's obligations under this Agreement, or (c) any violation by Broker of any federal, state or local law or regulation pertaining to the activities contemplated by this Agreement. All rights and remedies provided in this Agreement to Lender shall inure to the benefit of Lender, its successors and assigns and any assignee of or participant in any Loan, and shall survive the termination of this Agreement or the repurchase of any Loan by Broker.

16. Repurchase. At Lender's option, if there has been a breach of any term, condition, representation or warranty contained in this Agreement or the Guidelines, Broker shall pay the amount as the Lender may be required to pay, in part or in full, to repurchase the Loan from any subsequent investor, including, among other costs, collection fees and attorneys' fees. Broker shall pay to Lender, upon demand, the repurchase price for such Loan, which shall be the greater of the funding amount advanced by Lender plus any unpaid accrued interest fees, if any, principal reductions received by Lender. The repurchase remedy contained in this paragraph shall not constitute Lender's exclusive remedy, and Lender shall have recourse to all other available remedies hereunder, at law and in equity. Remedy For First Payment Default. If borrower fails to make the entire first payment due to the Servicer by the close of business on the date which the second payment was due, regardless of whether such payment is subsequently paid by borrower, such loan shall be considered a "30-day delinquent loan" and at Lender's option, this "30-day delinquent loan" may trigger the above repurchase remedy and require Broker, with five (5) business days, to "repurchase" the Loan on the terms stated above.

17. Termination. Except as otherwise provided herein, this Agreement may be terminated at any time by either Lender or Broker. Such termination shall be effective upon receipt of written notice of termination, but in no event later than five (5) days following the issuance of written notice. The obligations of the parties with respect to Loan Application Packages which have been registered with Lender prior to receipt of such written notice of termination shall survive the termination of this Agreement, Lender may terminate this Agreement effective immediately without notice to Broker in the event of a breach by the Broker of any of Broker's obligations, representations or warranties contained in this Agreement or the Guidelines.

18. Inspection and Maintenance of Records. Broker shall permit, at Lender's option, Lender, Lender's regulators, internal auditors or independent auditors chosen by Lender or any officer of Lender to investigate Broker's operations business, and to investigate and copy its files pertaining to Loan Application Packages. Broker shall maintain in its possession, available for such inspection and copying, all documentation and records relating to Broker's compliance with the terms of this Agreement. Broker agrees to retain all documentation and correspondence pertaining to this Agreement and any transactions hereunder for the period required by applicable federal or state laws and regulation or in accordance with Lender's record keeping guidelines, whichever provides for the longer retention period.

19. No Third Party Beneficiaries. This Agreement is made for the sole protection and benefit of the parties hereto, and no other person shall have any right of action under this Agreement as a third party beneficiary or otherwise.

20. Notices. Any notice or other communication required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given upon actual delivery or upon the mailing thereof by registered or certified mail, return receipt requested, postage prepaid, to the address for each party set forth below or to such other address as Lender or Broker shall specify in writing to the other. If to Lender, notice should be sent to: Capital Alliance at the address specified on the top of page 1.

21. Miscellaneous. Modifications, waivers and approval required from or given by either party hereto shall be effective only if in writing and signed by such party, provided, however, that nothing set forth in this paragraph shall affect Lender's right to review, amend or revoke the materials described herein as expressly being subject to such right. Broker may not assign its rights of obligations under this Agreement. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their successors and permitted assigns. In the event that a court of competent and final jurisdiction shall hold any provision of this Agreement to be invalid, the same shall not affect in any respect whatsoever the validity of the remainder of this Agreement. The captions inserted in this Agreement are for the sake of convenience only and in no way define, limit, extend or interpret the scope of this Agreement or of any particular paragraph hereof. If it is determined in a judicial proceeding that a party has failed to perform under any provision of this Agreement, then the prevailing party shall be entitled to recover from the losing party, on demand, reasonable attorney's fees and other reasonable out-of-pocket expenses incurred in connection with such dispute.

22. This Agreement is governed by, and shall be construed in accordance with, the laws of the State of California. In the event that any legal action should be filed by either party against the other, the venue and forum for such action shall be the Superior Court of the State California for the County of Los Angeles. Each of the persons and entities who are shareholders or partners of Broker, if any, also agrees to said venue and forum and further agrees that, if they are not resident of said county at the time of such action, service of process may be had on them by delivery to them via United State registered or certified mail. This Agreement and the Loan Submission Guidelines constitute the entire agreement between the parties and supersede any and all prior written or oral agreements between the parties as to the subject matter hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Wholesale Brokerage Agreement to be executed by their duly authorized representatives as of the date set forth above.

[Corporate Seal]
(If none so state)

ATTEST: BROKER

(Name of Company)

By: _____
(Signature of Principal or Authorized Officer if incorporated)

Name: _____

(Typed)

Title: _____

Date _____

ATTEST: LENDER:

By: _____
(Signature)

Name: _____

(Typed)

Title: _____

Date: _____

Request for Taxpayer Identification Number and Certification

**Give form to the
 requester. Do not
 send to the IRS.**

Print or type See Specific Instructions on page 2	Name (as shown on your income tax return)		
	Business name, if different from above		
	Check appropriate box: <input type="checkbox"/> Individual/ Sole proprietor <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Other ▶	<input type="checkbox"/> Exempt from backup withholding	
	Address (number, street, and apt. or suite no.)	Requester's name and address (optional)	
	City, state, and ZIP code		
List account number(s) here (optional)			

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Social security number
+
or
Employer identification number
+

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. person (including a U.S. resident alien).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. (See the instructions on page 4.)

Sign Here	Signature of U.S. person ▶	Date ▶
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Purpose of Form

A person who is required to file an information return with the IRS, must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

U.S. person. Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee.

In 3 above, if applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

For federal tax purposes, you are considered a person if you are:

- An individual who is a citizen or resident of the United States,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States, or
- Any estate (other than a foreign estate) or trust. See Regulations sections 301.7701-6(a) and 7(a) for additional information.

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,

- The U.S. grantor or other owner of a grantor trust and not the trust, and
- The U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person, do not use Form W-9. Instead, use the appropriate Form W-8 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien.

Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the recipient has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity not subject to backup withholding, give the requester the appropriate completed Form W-8.

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% of such payments (after December 31, 2002). This is called "backup withholding." Payments that may be subject to backup withholding include interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the Part II instructions on page 4 for details),

3. The IRS tells the requester that you furnished an incorrect TIN,

4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or

5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the instructions below and the separate Instructions for the Requester of Form W-9.

Also see *Special rules regarding partnerships* on page 1.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Name

If you are an individual, you must generally enter the name shown on your income tax return. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

Sole proprietor. Enter your individual name as shown on your income tax return on the "Name" line. You may enter your business, trade, or "doing business as (DBA)" name on the "Business name" line.

Limited liability company (LLC). If you are a single-member LLC (including a foreign LLC with a domestic owner) that is disregarded as an entity separate from its owner under Treasury regulations section 301.7701-3, enter the owner's name on the "Name" line. Enter the LLC's name on the "Business name" line. Check the appropriate box for your filing status (sole proprietor, corporation, etc.), then check the box for "Other" and enter "LLC" in the space provided.

Other entities. Enter your business name as shown on required federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name" line.

Note. You are requested to check the appropriate box for your status (individual/sole proprietor, corporation, etc.).

Exempt From Backup Withholding

If you are exempt, enter your name as described above and check the appropriate box for your status, then check the "Exempt from backup withholding" box in the line following the business name, sign and date the form.

Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends.

Note. If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

Exempt payees. Backup withholding is not required on any payments made to the following payees:

1. An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2),
 2. The United States or any of its agencies or instrumentalities,
 3. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities,
 4. A foreign government or any of its political subdivisions, agencies, or instrumentalities, or
 5. An international organization or any of its agencies or instrumentalities.
- Other payees that may be exempt from backup withholding include:
6. A corporation,
 7. A foreign central bank of issue,
 8. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States,
 9. A futures commission merchant registered with the Commodity Futures Trading Commission,
 10. A real estate investment trust,
 11. An entity registered at all times during the tax year under the Investment Company Act of 1940,
 12. A common trust fund operated by a bank under section 584(a),
 13. A financial institution,
 14. A middleman known in the investment community as a nominee or custodian, or
 15. A trust exempt from tax under section 664 or described in section 4947.

The chart below shows types of payments that may be exempt from backup withholding. The chart applies to the exempt recipients listed above, 1 through 15.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt recipients except for 9
Broker transactions	Exempt recipients 1 through 13. Also, a person registered under the Investment Advisers Act of 1940 who regularly acts as a broker
Barter exchange transactions and patronage dividends	Exempt recipients 1 through 5
Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt recipients 1 through 7 ²

¹ See Form 1099-MISC, Miscellaneous Income, and its instructions.

² However, the following payments made to a corporation (including gross proceeds paid to an attorney under section 6045(f), even if the attorney is a corporation) and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees; and payments for services paid by a federal executive agency.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-owner LLC that is disregarded as an entity separate from its owner (see *Limited liability company (LLC)* on page 2), enter your SSN (or EIN, if you have one). If the LLC is a corporation, partnership, etc., enter the entity's EIN.

Note. See the chart on page 4 for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at www.socialsecurity.gov. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/businesses and clicking on Employer ID Numbers under Related Topics. You can get Forms W-7 and SS-4 from the IRS by visiting www.irs.gov or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note. Writing "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 4, and 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). Exempt recipients, see *Exempt From Backup Withholding* on page 2.

Signature requirements. Complete the certification as indicated in 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account ¹
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor ²
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee ¹
b. So-called trust account that is not a legal or valid trust under state law	The actual owner ¹
5. Sole proprietorship or single-owner LLC	The owner ³
For this type of account:	Give name and EIN of:
6. Sole proprietorship or single-owner LLC	The owner ³
7. A valid trust, estate, or pension trust	Legal entity ⁴
8. Corporate or LLC electing corporate status on Form 8832	The corporation
9. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
10. Partnership or multi-member LLC	The partnership
11. A broker or registered nominee	The broker or nominee
12. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name and you may also enter your business or "DBA" name on the second name line. You may use either your SSN or EIN (if you have one). If you are a sole proprietor, IRS encourages you to use your SSN.

⁴ List first and circle the name of the legal trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules regarding partnerships* on page 1.

Note. If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons who must file information returns with the IRS to report interest, dividends, and certain other income paid to you, mortgage interest you paid, the acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA, or Archer MSA or HSA. The IRS uses the numbers for identification purposes and to help verify the accuracy of your tax return. The IRS may also provide this information to the Department of Justice for civil and criminal litigation, and to cities, states, the District of Columbia, and U.S. possessions to carry out their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You must provide your TIN whether or not you are required to file a tax return. Payers must generally withhold 28% of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to a payer. Certain penalties may also apply.



CAPITAL ALLIANCE

100 Pine St., #2450, San Francisco, CA 94111

Tel: 415/288-9575 ■ Fax: 415/288-9590

Loan Submissions: 415/962-4046 or Website: www.calliance.com/brokers

BROKER FRAUD POLICY ACKNOWLEDGEMENT

All approved Wholesale Loan Brokers must be aware that the licensed real estate broker bears the responsibility for all actions of his or her employees or licensees. The broker is responsible for the content and quality of each application taken and each loan submitted to Capital Alliance Funding Corporation ("Lender").

SUBMISSION OF A LOAN APPLICATION CONTAINING THE FALSE INFORMATION IS A CRIME!

Types of Loan Fraud

1. 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.
2. Forgery of partially or predominately accurate information.
3. Incorrect statements regarding current occupancy or intent to maintain minimum continuing occupancy as stated in the security instrument.
4. Lack of due diligence by broker/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.
5. Unquestioned acceptance of information or documentation that is known, or should be suspected to be inaccurate.
 - A. Simultaneous or consecutive processing of multiple owner-occupied loans from one applicant supplying different information on each application.
 - B. Allowing an applicant or interested third-party to "assist" with the processing of the loan.
6. Broker's non-disclosure of relevant information.

Consequences

The effects of "Loan Fraud" are costly to all parties involved. Lender stands behind the quality of its production. Fraudulent loans cannot be sold into the secondary market and, if sold, will require repurchase by Lender. Fraudulent loans damage our reputation with our investors and mortgage insurance providers.

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 Broker

1. Criminal prosecution.
2. Loss of Real Estate Broker's License.
3. Loss of lender access due to exchange of information between lenders, mortgage insurance companies including submission of information to investors (FHLMC/FNMA), secondary market "whole loan sales," police agencies, and the Department of Real Estate.
4. Civil action by Lender.
5. Civil action by applicant/borrower or other parties to the transaction.
6. Loss of approval status with Lender.

Consequences to Borrower

1. Acceleration of debt (FNMA/FHLMC Deed of Trust, revised 9/90). Item #6 states: "Borrower shall also be in default if Borrower, during the loan application process, gave materially false or inaccurate information or statements to lender (or failed to provide lender with material information) in connection with the loan evidence by the Note, including, but not limited to, representations concerning Borrower's occupancy of the property as a principal residence."
Note: Foreclosure under the borrower will not have the benefit of reinstatement in order to cure the default, the Borrower must pay-off the loan in full prior to the sale date of the property.
2. Criminal prosecution.
3. Civil action by Lender and Broker.
4. Civil action by other parties to transaction, such as seller or estate agent/broker.
5. Employment termination.
6. Loss of professional license, if any.
7. Advance effect on credit history.

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

SIGNATURE OF "BROKER OF RECORD"

SIGNATURE OF PRINCIPAL OFFICER



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Put your associates on the inside track for the most up-to-date information available on monthly specials, price improvements, and rate sheets delivered right to their e-mail inbox.

EMAIL REQUEST FORM

AE visited my office eFlyer Fax Flyer Rate Sheet Website

Company Name: _____

Company Address: _____

NAME: _____ PHONE: (_____)_____

EMAIL ADDRESS: _____

NAME: _____ PHONE: (_____)_____

EMAIL ADDRESS: _____

NAME: _____ PHONE: (_____)_____

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