Broker: _____

Broker #_____

Submission Procedures - For Attachment to Wholesale Broker Agreement
Effective on all loan submissions received on or after April 1, 2011

This attachment to the Wholesale Broker Agreement is entered into this _____day of _____., 20__ by and between Provident Bank and _____ ("Broker"). Due to regulatory changes the bank has found it necessary to modify previous versions of Exhibits A, B and C.

This attachment will effect all loan applications from Broker received by Provident Bank ("Bank") on or after April 1, 2011. This attachment will amend, and replace, all previous versions of the attachment exhibits, A, B and C. This new attachment contains:

Exhibit "A"	Broker Policies
Exhibit "B"	Compensation
Exhibit "C"	Mortgage Broker Affiliates / Broker-Owned Escrow
Exhibit "D"	Regulation Z Steering Provisions

Previous versions of Exhibits A, B and C will remain in effect on all loan submissions from Broker received by Bank prior to April 1, 2011.

EXHIBIT "A"
BROKER POLICIES

- All loan submissions packages must contain the handwritten application and copies of all required initial regulatory disclosures. Under RESPA, the Broker is required to provide the applicant the Loan Estimate and CFPB settlement cost booklet. For ARM loan applications, PSB program disclosures are available at www.provwholesale.com
- All Compensation payments may be subject to minimum and/or maximum amounts as determined by the Bank and as agreed upon by the parties in writing.
- Borrower-Paid Compensation dollar amount or percentage paid to the broker owner cannot be more than the Broker's designation under the Lender-Paid Compensation plan.
- All Compensation payments may be subject to minimum and/or maximum amounts as determined by the Bank.
- All loans are subject to High Cost Compliance Testing; include Section 32, California High Cost, Fannie Mae 5% test and the Bank's High Cost Limitations.
- Brokers are required to act in accordance to appraiser independence safeguards as addressed in Section 1026.42 of Regulation Z and the Interagency Appraisal and Evaluation Guidelines.
- Submission forms must be completed on current versions of Bank approved forms. Please include your phone and FAX numbers.
- Submission packages for conventional loans must include a Form 1008 – Transmittal Summary. Government Loans must be in a HUD/VA binder in proper HUD/VA stacking order.
- Underwriting Ratios are in accordance with Fannie Mae, Freddie Mac, HUD, VA, the Bank's Underwriting Guidelines and Regulatory Agency limitations as applicable. Supporting documentation on compensating factors is required for higher ratios.
- Tax Returns may be requested on any loan, subject to the Bank's discretion. The Bank may also require verification from the IRS.
- Payroll stubs are required on all submissions, unless self-employed or an exception to this requirement is granted by an automated underwriting system.
- Loan purpose letters are required on all refinance transactions and must be signed by the applicant.
- Broker to manage and maintain a Quality Control Program in accordance with agency guidelines. PSB requires a copy of QC procedures in order to determine if the Broker and its originations comply with PSB standards for quality. Broker may be asked to supply evidence of the QA plan and results of recent audits.
- Loans cannot be locked, have documents drawn or funded by an unapproved broker.
- Broker specifically agrees (1) to comply with all applicable laws, including safety and soundness regulatory standards applicable to banking institutions and laws prohibiting lending discrimination and unfair or deceptive practices, and (2) to make best efforts to ensure that the loans offered to borrowers are consistent with their needs, objectives and financial situation.
- Broker approval status is subject to the Bank's policies, guidelines and all applicable laws.
- If a loan rate becomes locked prior to file submission, the Broker must deliver the file within required time frame. Bank reserves the right to reject loan file submissions that exceed prescribed limitations.

EXHIBIT "B"
COMPENSATION

The Federal Reserve Board issued a final rule amending Regulation Z –The Truth in Lending Act to prohibit certain loan originator compensation practices. The rule affects all applications received by the Bank on, or after, April 1, 2011.

The rule specifically **prohibits**:

- A loan originator (broker) from receiving compensation from both the consumer and any other person (including the lender) on a given transaction.
- Receiving compensation based upon the interest rate or loan terms other than the loan amount.
- Raising the interest rate in order to increase compensation.

All applications received from the broker on or after April 1, 2011 will be in strict compliance with all loan originator compensation practices as dictated by the final rule. In compliance with the final rule changes, loan originator compensation will be paid by one of two distinct sources: Borrower Paid Compensation OR Lender (Provident Bank) Paid Compensation. The source of the compensation source is at the borrower's discretion and is required to be designated prior to locking the loan or loan submission acceptance. Regardless of the source of compensation all loan submissions and loan closings are subject to limitations and provisions as defined in the final rule.

Borrower Paid Compensation: Borrower paid compensation is determined by an agreement between the Broker and the Borrower. Bank will accept loan submissions with Borrower paid compensation up to the amount or percentage of the lender-paid compensation plan. The borrower may elect to pay the Broker/Loan Officer by check or through proceeds of the loan. Under the Borrower-paid compensation option, Broker can reduce its compensation to pay some or all of the third party fees or other Borrower loan expenses, offset disclosure tolerance violations or offer pricing concession. The Brokers compensation to the loan originator must be in the form of a salary or an hourly wage.

Lender (Provident Bank) Paid Compensation: In compliance with the rule, lender paid compensation must be pre-determined and fixed. Compensation plan provided by the Bank and selected by the Broker will be in effect on all loans, regardless of type or amount. Lender-Paid Compensation will be paid in accordance with the Lender-Paid Compensation Addendum, attached hereto and made a part hereof, in effect at the time of the loan submission. If no Lender-Paid Compensation Plan Addendum is in effect, the Lender-Paid Compensation Plan will default to 1.50% for all submissions received during that period.

EXHIBIT "C"
MORTGAGE BROKER AFFILIATES / BROKER-OWNED ESCROW COMPANIES

The Bank must compensate mortgage broker affiliates uniformly. If the Broker owns two subsidiary mortgage brokerages, the affiliates must be viewed as one. In these instances, both Broker Companies must receive the same Lender-Paid Compensation plan. The Broker is required to inform the Bank of any affiliated companies or subsidiary mortgage brokerages.

The Bank does not allow affiliated or subsidiary companies, such as broker-owned escrow companies, to provide settlement services for any transaction closed under the Wholesale Broker Agreement.

EXHIBIT "D"
REGULATION Z ANTI-STEERING PROVISIONS

The final rule amending Regulation Z also prohibits loan originators (broker) from directing or "steering" a consumer to accept a mortgage loan that is not in the consumer's best interest in order to increase the originator's compensation.

The final rule also provides a safe harbor to satisfy compliance with the anti-steering rule.

To be within the safe harbor, the loan originator (broker) must obtain loan options from a significant number of creditors with which the originator regularly does business. The loan originator (broker) can present fewer than three loans and satisfy the safe harbor, if the loan(s) presented to the consumer otherwise meet the criteria in the rule.

Documentation in support of Broker's compliance to Regulation Z Anti-Steering provision may be required by Bank at loan submission in the form of an Anti-Steering Disclosure or at any time prior to or after loan closing.

Agreed:

BROKER:

By:_____

Its:_____

Date:_____, 20_____