

CU2CUPARTNERAGREEMENT

This Agreement (“Agreement”) is entered into and effective this _____ day of _____, 2020 by and between _____, being a Credit Union authorized to transact business in the State of _____ (hereinafter referred to as “Credit Union”); and Credit Human Federal Credit Union (hereinafter referred to as “Credit Human”).

RECITALS

Whereas, Credit Human has instituted a lending program to facilitate the financing of new and used manufactured homes which has resulted in Credit Human acquiring knowledge and expertise in the lending of sums used to purchase manufactured homes; and

Whereas, Credit Union has been organized by its members for the purpose of providing financial services to its members; and

Whereas, in order to facilitate and increase the benefits by Credit Union to its members, Credit Union has determined that it is in its best interest to enter this agreement whereby it can make loans to its members secured by manufactured housing to facilitate the purchase of manufactured homes from manufactured home dealers; and

Whereas, Credit Union desires to enter a relationship with Credit Human for the purpose of providing services to facilitate the lending by Credit Union to its members to enable the members to purchase manufactured homes; and

Whereas, Credit Human has agreed to provide such services as described herein, and

NOW THEREFORE, PREMISES CONSIDERED, the parties are agreed as follows:

I. RECITALS

The foregoing reflects the spirit and purpose of this Agreement, and this Agreement should be interpreted in view of said recitals, which are incorporated herein by reference.

II. LENDING PROGRAM

Credit Human has established a lending program that it uses in conjunction with contractual relationships with manufactured home dealers. Under the program, the dealers submit to Credit Human applications from members for the purchase of manufactured homes. As a result, Credit Human has acquired an infrastructure, knowledge, personnel, and experience to enable it to oversee a lending program wherein the loans are secured by purchase money security interests in manufactured housing.

Credit Union desires to establish a program whereby its members can borrow sums to be used by the members to purchase manufactured homes. Under the referral program when a Credit Union member is interested in purchasing a manufactured home or refinancing an existing manufactured home loan, Credit Union refers the member to Credit Human’s direct lending department. Credit Human will handle the application process, evaluate the application and if approved, will prepare the necessary documents for the establishment of the loan. Credit Human will also handle all of the closing processing on the loan.

**III.
SCOPE OF AGREEMENT**

This Agreement only applies to manufactured homes that are home only or chattel loans. Loans for manufactured homes that are secured by real estate are expressly excluded from this Agreement.

**IV.
DUTIES OF CREDIT HUMAN**

In consideration for the payments described herein, Credit Human agrees to:

- (a) Accept member applications, obtain credit information, verify information and make provisional credit decisions in accordance with pre-established underwriting guidelines;
- (b) Fund purchase of manufactured homes according to established Credit Human procedures;
- (c) Prepare and provide reports to Credit Union indicating the activity of Credit Union regarding program usage by Credit Union;
- (d) Warrant compliance of the documents used within the program with the applicable state and federal laws and regulations;
- (e) Credit Human shall remit all sums due Credit Union within ten (10) business days of the date of receipt of the executed loan documents; and
- (f) Obtain opinion of counsel, that the established Program does not violate state or federal law.

**V.
DUTIES OF CREDIT UNION**

Credit Union agrees to:

- (a) Educate employees and members on the manufactured home lending program and Credit Human involvement to ensure success of the program;
- (b) Establish procedures to ensure only loan originators provide information on the program, discuss loan products, rates, make a referral or conduct any additional actions that would be considered assisting or offering terms;
- (c) Refer a member to Credit Human manufactured home direct lending division and Credit Human will handle all paperwork;
- (d) Credit Union is prohibited from “steering” applicants to a creditor offering less favorable terms in order to increase the Credit Union’s compensation; and
- (e) Ensure actions are in compliance with applicable state and federal law.

**VI.
TERM**

This Agreement shall be for a term of one (1) year. This Agreement may be terminated by either Credit Union or Credit Human at any time. The termination of the agreement by either party must be in writing and delivered by certified mail sixty (60) days in advance of the date of termination in order to clear the contracts already approved for funding.

This Agreement will expire next year on the same month and day as the effective day of this Agreement as reflected below. If neither party takes any action with regard to the expiration of this Agreement, the

continuation of business as contemplated by this Agreement after the date of termination shall reinstate this Agreement for a one month period. Thereafter, this Agreement shall continue on a month to month basis until either a new Agreement is reached or either party provides written notice by certified mail that this Agreement is terminated by its terms and no further business will be conducted under this Agreement. The termination of the Agreement shall be immediate for future loans but shall not impact loans that have been referred but have not yet closed.

VII. COMPENSATION

For each funded loan that is to be owned by Credit Human, Credit Human will pay Credit Union a referral fee of \$500.00.

VIII. INDEMNIFICATION

Credit Human agrees to indemnify and hold Credit Union harmless from any and all claims or expenses of any kind related to any negligence of Credit Human or willful misconduct in the conduct of its activities pursuant to this agreement. However, Credit Human shall in no way guarantee the credit of any consumer under any credit agreement, nor shall Credit Human be in any way responsible for any misconduct of any kind or nature of any manufactured home dealer in the sale, executing of any documents, or providing warranties on any manufactured home financed through this program.

Credit Union shall indemnify and hold Credit Human harmless from any claims, expenses or obligations of any kind, arising directly or indirectly through Credit Union's acts or omissions with respect to the funding or administration of any credit instrument originated by Credit Human. In the event of any litigation between a consumer and the manufactured home dealer or a Credit Union, the Credit Union agrees to indemnify and hold Credit Human harmless from any claims, expenses or obligations associated with the litigation.

IX. REPRESENTATIONS AND WARRANTIES

Each of the parties hereby represents to the other that it is a duly organized and a valid existing legal entity, and that all approvals and procedures have been accomplished to make this a binding legal agreement as to each party. The individuals signing this agreement on behalf of each of the parties have the legal authority and authorization to sign this agreement.

X. CONDUCT OR OTHER BUSINESS

Credit Union understands that Credit Human is going to enter into similar agreements with other Credit Unions to establish lending programs for those organizations. Nothing herein shall expressly or impliedly prohibit Credit Human from entering into such agreements. Credit Union understands that Credit Human is a federally chartered Credit Union, which maintains offices that are in direct competition with Credit Union. Credit Union understands that Credit Human has and will continue to perform the same services that are contemplated by this Agreement to be performed for Credit Union. For each member of Credit Union that is not already a member of Credit Human, Credit Human agrees that it will not solicit such member for any product other than a product directly related to the manufactured home.

**XI.
ADVERTISING AND PROMOTION**

Credit Human agrees it will not use any advertising or promotional materials including Credit Union's name or identifying Credit Union without first obtaining Credit Union's written consent and approval. Credit Union agrees it will not create any independent advertising or promotion materials for the program without first obtaining Credit Human's written consent and approval.

**XII.
SEVERABILITY**

If any provision of this agreement shall be held to be invalid or unenforceable, the remaining provisions of this agreement and such provision, to the extent it can be interpreted to be enforceable, shall not be affected thereby.

**XIII.
BINDING NATURE AND COMPLETE AGREEMENT**

This agreement sets forth the entire Agreement between the parties on the subject matter herein stated, and there are no understandings or agreements relative hereto that are not expressed herein. This Agreement may be modified only by written agreement. This Agreement is not assignable by either party, without the express written consent of the other.

**XIV.
GOVERNING LAW**

This agreement shall be governed by and construed in accordance with the laws of the State of Texas, except where preempted by the laws of the United States of America, in which case the laws of the United States of America shall apply.

**XV.
CONSTRUCTION**

Headings are included herein solely for the purposes of clarity and are not to be referred to in construing this Agreement. Because of the multiple nature of the number of parties to this Agreement, each provision shall be integrated as plural or singular as necessary to effectuate the purpose of this agreement. Any other Agreement entered into between Credit Union and Credit Human becomes null and void upon execution.

Effective this _____ day of _____, 2020.

Credit Human Federal Credit Union
1717 N Loop 1604 E, Suite 250
San Antonio, TX 78232

BY: _____
(Printed name of Credit Human executing officer)

(Signature)

BY: _____
(Printed name of CU Partner executing officer)

(Signature)