



April 8, 2019

Red Diamond Mortgage Loan Originator – 2019 Terms & Conditions Letter (Part Time MLO)

Dear MLO:

Red Diamond Home Loans, LLC is looking forward to a successful 2019 for you in the position of Retail Mortgage Loan Originator. This position will be based in the Dallas/Fort Worth area and allow originations throughout Texas and any other areas you and Red Diamond are licensed. You will be reporting to Mike Porter, President of Red Diamond Home Loans as your direct supervisor. Exhibit B of the Compensation Agreement outlines the primary job responsibilities for this Retail Loan Officer position. This Loan Officer compensation plan will start upon completion of all NMLS requirements.

Red Diamond Home Loans will be providing you a compensation agreement that will outline your commission rate. In addition to that information this letter sets forth the details of your offer, as follows:

1. This offer letter will commence January 1, 2019.
2. This position is considered non-exempt for purposes of federal wage-hour laws.
3. This position will be a part-time position with the expectation of less than 30 hours per week.
4. Outside Sales Commission compensation will be paid a commission percentage of the funded loan amount:
 - a. Outside sales commissions shall be 125 basis points of all self-directed funded loan amounts with a per loan cap of \$6,000 as outlined in the compensation agreement.
 - b. In-house compensation will be paid at a rate of 75 basis points with a cap of \$4,000. The in-house pricing matrix can be found on the Red Diamond Intranet site.
5. Margins will be established in Outside Sales and In-house Sales on a per loan basis by product type by Red Diamond.
 - a. Outside sales margins: This will be outlined in the Red Diamond secondary pricing policy. Outside sales margins will be 237.5 to 300+ basis points for conventional loans and 337.5 to 400+ basis points for government loans. Outside sales jumbo loans will have a minimum gross revenue of \$10,000.
 - b. In-house loan margins: Margins on in-house loans will be from 175-225 basis points on conventional loans and 275 to 325 basis points for government loans. In-house jumbo loans will have a margin of \$6,000 - \$9,000.
6. Quarterly Compensation Adjustment will look at a combined revenue of all loans throughout the quarter and add up the total revenue of all loans, less any lender credits provided. Waved fees and lender credits will be removed.
 - a. Revenue within 0-25 basis points of target will result in next quarters' compensation of 125 basis points.
 - b. Revenue more than 25 basis points below target will result in a 25-basis point reduction in the compensation for the next quarter.
 - c. You can raise the quarterly compensation by getting back into the 0-25 basis points of target.
7. Commission compensation will be paid pursuant to the Insuperity payroll cycle. Typically, this is the closest to the 15th of the month in the month following the funding of the loan transactions.

Red Diamond Home Loans
165 S. Kimball Avenue, Suite 100
Southlake, TX 76092
817-756-1555



8. Red Diamond Home Loans will not be providing health insurance or other benefits for part-time positions.
9. You will be expected to adhere to company policies.
10. You will be expected to adhere to and be familiar with all company Quality Control Policies.
11. NEW: Red Diamond will recapture commission 100% of the commission for any loans that are pre-paid if the client does not make six full mortgage payments to the investor/servicer. This applies even if the loan is sold after it's delivered to the first investor.

Please accept this letter as our formal terms of employment for 2019.

Please sign and return this letter as your acceptance. We look forward to a long and mutually prosperous relationship.

Sincerely,

A handwritten signature in cursive script that reads "Michael N. Porter".

Michael N. Porter
President
Red Diamond Home Loans, LLC

Mortgage Loan Originator

Date

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