

# NORTHLAWN FINANCIAL, INC.

## EMPLOYEE HANDBOOK

### **Hours**

Northlawn's hours of operation are 8:30 a.m. – 5:00 p.m., Monday through Friday. Salaried and Hourly employees are required to be in the office during these business hours, unless Management has specifically approved other hours for your position. All salary and hourly employee positions are based on an eight (8) hour workday, not including ½ hour lunch. It is required that every Salaried and Hourly employee receive a lunch break of at least 30 minutes, that may be taken anywhere between 11:00 a.m. and 2:00 p.m.

Salaried employees are also allowed 2 ten-minute breaks, once in the morning and once in the afternoon.

Weekend hours and overtime may be available, depending on your specific job description. See Management for further information.

### **Vacation Days**

Salaried and Hourly employees are entitled to one week's worth of Vacation time (7 days) after the first year of employment. Years 2 – 5 you are eligible for two weeks (14 days). After 5 years, three weeks (21 days) will be given. Vacation time must be requested to Management in writing. At least a month's notice must be given in order to approve Vacation time. A copy of this request must also be e-mailed to [paymaster@northlawn.com](mailto:paymaster@northlawn.com) to inform the Corporate office of the requested time. If approved, you will be compensated for the approved number of days. If Management has not approved vacation time in advance, you will not be compensated.

### **Sick Time**

Salaried and Hourly employees are entitled to ½ day per month to use for sick and/or personal time. You will be compensated for this allotted time. If you have no sick time available, your wages will be docked accordingly.

If you are sick or require a personal day, you must call to inform management. Any "No Call, No Show" may be grounds for dismissal.

### **Holiday Time**

All Salaried and Hourly employees are entitled to paid time for the following Holidays, in which the office will be closed:

New Year's Day  
Memorial Day  
Independence Day  
Labor Day  
Thanksgiving Day  
Christmas Day

You must work the day before and the day after the Holiday in order to be eligible for paid time. The only exception to this will be previously approved Vacation time. Loan Officers are not eligible for any paid Holiday Time off.

### **Floating Holidays**

Each Salaried and Hourly employee is entitled to one paid Floating Holiday per year. You may choose from the following days:

Martin Luther King, Jr. Day  
Washington's Birthday  
Columbus Day  
Veterans Day  
Your Birthday  
Day after Thanksgiving

Management must approve floating holidays in writing, prior to the actual time off. A copy of this request must be e-mailed to [paymaster@northlawn.com](mailto:paymaster@northlawn.com). It is suggested to request your Floating Holiday as far in advance as possible, as many employees may request the same time off. If there is insufficient coverage for your job position, you may be required to choose another day.

Loan Officers are not eligible for Paid Floating Holidays.

### **Comp Time**

Comp Time is not a normal practice allowed by Northlawn Financial. In rare instances, management may make an exception to this rule, depending on the circumstance. If Management has not approved your Comp Time in advance, you will not be paid for the time missed. For example, if you come in at 7:30 and leave at 4:00, you will not be paid for the additional hour from 7:30 – 8:30, and you will be docked for the hour of 4:00 – 5:00.

Comp Time is not applicable to Loan Officers.

## **Loan Officers Hours**

Loan Officers are not required to be in the office for any specific amount of time each day, with the exception of pre-arranged office meetings. It is suggested that they DO stop in at least once a day, but this is not a Northlawn requirement. However, all Loan Officers are expected to “check in” with the office at a MINIMUM of once a day in order to check for messages, follow up on loans and faxes, and any other pertinent information that may be necessary. Loan Officers are expected to be available to the Receptionist, Processor and Management during business hours. If you receive phone messages from anyone in the office, you will be expected to respond in a timely manner, particularly if one of your loans is closing on that day.

You may ask the Receptionist to forward your calls directly to your cell phone if you desire. However, this will not replace your daily “Check In”.

## **Loan Officers Vacation/Sick Time**

Loan Officers will not be restricted to any specific amount of Vacation or Sick time, as they are strictly commissioned employees. However, if a Loan Officer plans to be out of the office for more than two days in a row, they must inform management in advance. If you will be out of town, unavailable or unreachable for any reason, you must inform management in writing, so that appropriate measures can be taken to provide for coverage of your borrowers, realtors and loan follow up. A copy of this must also be forwarded to [paymaster@northlawn.com](mailto:paymaster@northlawn.com) so that Corporate Management is aware of it.

## **Dress Code**

Northlawn has adopted a reasonably lenient dress code. However, there are strictly enforced limitations.

All employees are required to follow Northlawn’s standard dress code, regardless of whether you are a Salaried/Hourly employee, or a Loan Officer.

### **Mondays - Thursdays are ‘Business Casual’ Dress days.**

Business casual includes:

#### ***Men***

Dockers or Khaki Pants  
Polo Shirt or Button Down Dress Shirt  
Acceptable “No Collar” casual shirts  
Dockers or Khaki shorts (Summer only)

Note: Any shorts must be appropriate to the work environment.  
Blue jean shorts or cut offs will not be permitted at any time.

You are never required to wear a suit, tie or dress shoes

### Women

Dockers or Khaki pants

Dresses

Skirts

Blouses

Polo Shirts

Casual Sleeveless Tops that are Business appropriate

Docker or Khaki shorts, "Skorts" or Coulots (Summer only)

Note: Any shorts worn must be appropriate to the work environment.

Blue jean shorts, cut offs, and "short" shorts will not be permitted at any time.

Denim may not be worn in any form except on Casual Friday.

Nylons are never required.

'Spaghetti strap' style shirts, strapless shirts, 'Halter Tops' or 'Tube Tops' may not be worn on any day.

Midriff baring shirts may not be worn on any day.

'Low rise' pants where skin shows in front or back may not be worn on any day.

**(Skin should never show between shirt and bottoms, as it is not appropriate to the work environment)**

Any shirt containing slogans, statements or any other writing not pertaining to business may not be worn except on Casual Friday.

### Men and Women

Shoes are not a specific concern, including Sandals, as long as they are tasteful and they cover your feet.

However, if it is found that employees begin to abuse this privilege, it will be revoked.

### **Fridays are 'Casual' Dress Days.**

Casual dress includes:

Jeans are allowed

Tennis shoes will be allowed.

Sweatshirts are allowed

T-Shirts will be allowed

Appropriate 'Tank Tops' may be worn (see management for clarification)

T-shirts, tank tops, sweatshirts, etc. that contain slogans, statements may be worn on Casual Days.

All of the above must be tasteful and contain no rips, tears, holes, stains, etc.

Blue Jean shorts will not be allowed at any time

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All definitions of "Acceptable" attire will be at the discretion of Management.

A Salaried/Hourly employee not within the parameters of the acceptable dress code will receive a verbal warning and will be sent home to change. If a second violation occurs, they will receive a written reprimand, which will be placed in their personnel file. They will also be sent home for the day without pay.

A third violation may result in dismissal.

A Loan Officer not within the parameters of the acceptable dress code will receive a verbal warning, and asked to leave the office to change. If a second violation occurs, they will receive a written reprimand, which will be placed in their personnel file.

A third violation may result in dismissal.

Any excessive abuse of this very lenient dress code will not be tolerated.

If you are unsure whether an article of dress is acceptable, in most cases, it probably is not, so please ask your Manager prior to wearing it.

## **Personal Phone Calls and Computer Use**

Personal phone calls in the office should be limited.

Salaried and Hourly employees should restrict their personal phone calls to be made and received ONLY on their lunch hour, or on their 10 minute break, except in cases of emergency. Personal calls should be made and taken on your own cell phone, and they must be taken outside of the office. Excessive personal phone calls may result in verbal or written reprimand, and/or dismissal, if necessary.

Loan Officers will be expected to make and receive personal phone calls on their own cell phones. Also, Loan Officer's personal calls should not be made inside the office. If you must take a personal phone call, please step outside of the office to take it.

Use of the computers for personal purposes will not be tolerated. The computers in the office are here to be used for business purposes only. This includes Salaried/Hourly employees, as well as the Loan Officers. Excessive abuse of the computers for personal use will result in reprimand and possibly dismissal. This is monitored.

## **Loan Officer Production**

Loan Officers are required to produce a minimum of three (3) loans per month, in order to be considered a Full Time employee. This quota will be averaged over each quarter. Meaning, if you produce 6 loans in the first month, 3 in the second and 0 in the third, you still will have met your quota.

Any Loan Officer that fails to meet the Full Time employee requirement shall be considered a Part Time employee and will not be eligible for medical benefits.

NOTE: Future Addendums may be added to this Handbook.

## **ADDENDUM TO HANDBOOK**

This section of the Handbook shall only pertain to Loan Officers.

As a Loan Officer at Northlawn Financial, you represent the company as a whole. The Corporation believes in fair and honest service to its customers. It strives to employ individuals with integrity and those who are of ethical character. Unethical or immoral business practices will not be tolerated. This includes committing fraud, practicing 'Bait and Switch' tactics, or knowingly coercing customers into unreasonable and exorbitant programs and/or interest rates.

### **Loan Officer Responsibilities**

- A) Loan Officers must take a complete Residential Loan Application (Form 1003), including all employment, income and asset information (except for those specific Programs that do not permit this information.) Loan Officers may not turn in incomplete loan applications to Processing, or they may be returned for completion.
  
- B) It is required that Loan Officers furnish fully executed RESPA and 'Reg Z' disclosures to the borrower within 3 days of the initial application. In addition, the following disclosures are required to be signed by all Borrowers on the loan application and included in the loan package that is submitted to Processing:
  - 1) Borrower Authorization and Certification
  - 2) Credit Score Disclosure
  - 3) Right to Receive Appraisal
  - 4) Equal Credit Opportunity Act Disclosure
  - 5) Notice Regarding Transfer of Servicing (RESPA)
  - 6) Residential Loan Application (Form 1003)
  - 7) Good Faith Estimate (RESPA)
  - 8) Truth in Lending Disclosure (Reg Z)
  - 9) Northlawn Application Fee Agreement
  - 10) Northlawn Float/Lock Agreement
  - 11) VA required Disclosures (when applicable)

If you are unsure or do not understand these Disclosures and how to complete them, please see your Manager. Federal and State law(s) mandate these Disclosures; therefore, it is imperative that every Loan Officer complies. (These documents must be fully executed, meaning APR must be disclosed on the TIL, and all fees including Escrows and Title Insurance should be included in the GFE.)

- C) All Loan Officers are required to collect a minimum \$350 Application Fee on each loan they originate (\$450 on Jumbo loans), payable to Northlawn Financial. The actual check or money order should be paper-clipped on the left side of the file when submitted to Processing, so that the Processor can record and make a copy for the file. If it is not collected, or only a portion is collected from the Borrower(s) upfront, Processing will return the loan to the Loan Officer and the loan may not be submitted to any lender until it has been collected. The only exception to this is if the Loan Officer receives written authorization to waive the upfront fee, by Management's signing of the Application Fee Agreement. In this instance, the Loan Officer takes full responsibility for said Application Fee. If for any reason the loan does not close, or the full Application Fee does not get collected at closing in the final Settlement Statement, it will be deducted from the Loan Officer's commission check.
  
- D) Loans are only allowed to be Processed and Submitted to the lender by a Northlawn Financial Processor, unless otherwise approved by your Manager. This eliminates errors, reduces the chance of missing information, and ensures that all loans are within compliance.
  
- E) When a Loan Officer completes a Loan Application and runs it through any automated underwriting system, this constitutes a "Borrower", and the loan must be entered into the Calyx Point system as a 'Borrower'. By law, the Loan Officer is then required to provide RESPA and 'Reg Z' Disclosures to the borrower within 3 days, and a statement of approval or denial must be mailed within 30 days of the Application date. Therefore, it is imperative that your Processor receives your loans as quickly as possible in order to comply with the approval/denial deadlines.
  
- F) Once the Loan Officer has completed the Loan Application, entered it into Point as a Borrower, and received the signed Disclosures back from the Borrower along with all pertinent supporting documentation, the Loan Officer should submit the loan to Processing within 3 days. The Loan Officer is responsible for being proactive in obtaining mortgage documents from the borrower in a timely manner. It is suggested that if the L.O. is having difficulty getting the borrower to mail, e-mail or fax the documents, that they take quick initiative in physically meeting with the borrower to acquire the necessary documents.

After the L.O. has received all information from their Borrower(s), they are then responsible for ordering the Appraisal and Title Work (if applicable). Processors will not be held accountable for low appraised values, slow appraisal turn around times, untimely closings or inaccurate HUD's due to the company that has been chosen by the Loan Officer.

- G) Loan Officers may provide Pre-approval or Pre-qualification letters, including Conditional Loan Approvals (C.L.A.'s) but must be aware that there is a

limitation to what can be given out. Specific income, asset and credit information should never be discussed with anyone other than the Borrower and the lender. However, a Loan Officer may never give a copy of a credit report to a Borrower. If the Borrower would like a copy of their credit report, instruct them to contact the Bureaus directly. In addition, no Loan Officer may ever mail, fax, e-mail or otherwise provide Automated Underwriting findings to anyone other than the lender we are requesting a Loan Commitment from. The same is true for any actual Loan Commitment (Approval letter) from a lender. This information is only to be used internally, and should not be shared with anyone outside of Northlawn Financial.

- H) Loan Officers should be aware that after their loan is given to Processing, the Processor may take up to two (2) business days to submit the loan to the lender. It is strongly recommended that an L.O. always be sure to check their Lender's turn around times and lock Rates accordingly. On average, the acceptable time frame from Submission (to Processing) to Funding is approximately 30 days. If an L.O. finds that their loans are not being processed, closed and funded within 30 days, please see your Manager. In rare cases, it is understood that L.O.'s may have "Rush" deals from time to time. In this case, please see your Manager to request special consideration, rather than your Processor. Every attempt to accommodate a special circumstance will be made. However, depending on current loan production within the office and varying turn around times at each lender, it may not always be possible to expedite as quickly as desired.

All new loan submissions will be processed and sent to a lender according to the date it was given to Processing. Purchases will be given priority over Refinances, but not placed ahead date-wise; Meaning, for example, all loans submitted on April 1<sup>st</sup> will be divided with Purchases in front, and refi's behind. However, Purchases submitted on April 2<sup>nd</sup> will fall behind the Refinances from April 1<sup>st</sup>. and so on.

- I) In submitting a loan for Processing, Loan Officers are required to put the loan file together neatly and completely for the Processor. The Northlawn Checklist should always be completed and placed on the Left side of the file with the Application Fee paper-clipped to the top of it. Behind the checklist, all other internal information and documents should follow. This includes Appraisal/Title order forms, Payoffs, Lock confirmations, Fax confirmations, Pre-qual letters, etc. The right hand side of the file should only contain pertinent documentation that will be submitted to the lender, and should be stacked in this general order:

Application (1003)  
Credit Report  
Paystub  
W-2's  
Bank Statements

Purchase Contract  
Pre-lim Title  
Appraisal  
Disclosures

On both sides, all papers should be 'Accofastened' into the file. The Processor should not have to sort through the file, put in order, or paper hole punch documents. If you do not have a Two Hole Punch, please see your Manager. Loan Officers should complete as much information on the Checklist as possible, especially in regards to Program, Closing Date (if Purchase) and any special notes to ensure the loan is Processed correctly

- J) Loan Officers are paid on the 15<sup>th</sup> and 30<sup>th</sup> of each month. If either of these days falls on a weekend, you will be paid on the Friday before. Commission sheets are due according to the Commission Pay Schedule attached. If the L.O. does not turn their commission sheet in by 5:00 on the Due Date, they will not be paid until the following Pay Date. A Master blank Commission sheet is on the Northlawn server for your convenience. After completing the commission form, please do a "Save As" under your Name and the Pay Date. For example, Gwen8.30.04 for a Pay Date of August 30<sup>th</sup>. After saving your commission sheet to the Server, you will need to e-mail your Manager to make them aware it has been completed. In addition, Loan Officers are required to provide supporting documentation to their commission sheet. A copy of the final HUD (Settlement Statement), the Broker Check, and Appraisal invoice should be clipped together and placed in your Manager's In-Box. These will be provided to you when the Processor has closed out the file. If you are not receiving them from your Processor, please inform your Manager.

If you are unsure as to how to complete the Commission Sheet correctly, please see your Manager. If it is completed inaccurately, it will be revised on the Server and you will receive an e-mail from management informing you of the revision.

- K) Loan Officers are ultimately responsible for the correctness of final HUD's. It is the Processor's job to complete the Fee Sheet for the Lender's closing department. However, inevitably each loan is "The Loan Officer's Money", not the Processor's, and therefore it is up to them to make sure that in the end, the HUD is correct. If it is missing fees you were anticipating collecting, you will not be paid for them. If it is missing required Northlawn fees that were mistakenly not collected, they will be deducted from your commission. It is therefore suggested that Loan Officers should not allow their borrowers to close until they have reviewed the final HUD and given the Escrow officer their approval.
- L) It is the responsibility of the Loan Officer to accurately and fully complete the general Tracking screen in the Calyx Point system. The Lender, Title company, Appraiser and Real Estate agent information should all be provided, including addresses and phone numbers. Lock information also needs to be completed,

including the date locked and number of days it has been locked for. Yield Spread Premium, Origination and Discount fees, and any other additional commission income you will be receiving on the loan needs to be filled out in this screen as well. If you are unsure as to how to complete this portion of the screen, please see your manager.

It is strongly encouraged that Loan Officers use the Conversation Log in Point as frequently as possible. This eliminates a great deal of questions mix-ups and provides for accountability. It will help to keep you and your Processor in communication regarding things that have been done on the loan. This is especially true for conversations that are had with the borrower. If the Loan Officer has had a conversation with their borrower, it helps to keep a record of what was said, what was quoted, and any kind of documentation you may have asked them for. This way, when there is possible conflict with the Borrower or the Processor, there is a written record of what has transpired.

NOTE: Future Addendums may be added to this Handbook.

## **EMPLOYEE AGREEMENT**

I, \_\_\_\_\_, hereby verify that I have read the Northlawn Financial Employee Handbook. I understand that it is my responsibility to adhere to the Rules and Regulations set forth in this Handbook. I agree to abide by said Rules and Regulations as long as Northlawn Financial employs me. I understand that failure to comply may result in termination of my employment with Northlawn Financial.

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Manager Signature

**Loan Officers Only**

I have hereby read the Loan Officer Addendum to the Northlawn Financial Employee Handbook. I understand that as a Loan Officer, I am expected abide by the laws, practices and specific procedures that have been put in place. I agree that I will follow all Rules and Regulations of the Loan Officer Addendum as long as Northlawn Financial employs me. I also understand that failure to do so may result in termination of my employment with Northlawn Financial.

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Employee Signature

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Date

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Manager's Signature