

CUSTOMER SERVICE AGREEMENT

1. The undersigned Customer hereby petitions Sterling Credit Screening, Inc. to render service in accordance with its customary practices, for which Customer agrees to pay promptly on billing by Sterling Credit Screening, Inc., the fees herein provided.
2. Sterling Credit Screening, Inc. may from time to time diminish or increase the charges to Customer by written notice mailed or delivered to Customer at its business address and in such event Customer agrees to pay to revised charges unless Customer shall terminate this agreement as hereinafter provided. This Service Agreement may be canceled at any time for good cause by Sterling Credit Screening, Inc.
3. Customer hereby agrees, represents and warrants that in using the services of Sterling Credit Screening, Inc., Customer will in all respects comply with the provisions of 15 U.S.C. §1681 *et seq.* (Fair Credit Reporting Act) and that services will be requested only for the Customer's exclusive use. Customer further certifies that consumer reports will be ordered and used only for permissible purposes: (a) in connection with a credit transaction involving the consumer on whom the information is to be furnished and involving the extension of credit in connection with the real estate transaction. Customer agrees that consumer reports for employees attempting to obtain credit for real estate only will be requested only by Customer's designated representatives. Employees of Customer will be forbidden to attempt to obtain reports on themselves, associates or any other person except in the exercise of their official duties.
4. Customer further agrees, as requested, promptly to furnish by telephone or in writing to Sterling Credit Screening, Inc., all required information covering transactions by the Customer and its consumers, and to indemnify Sterling Credit Screening, Inc., and each of the other Customers and the officers and employees of each, jointly and severally, from any loss, damage, attorney's fees and costs arising from any claim or suit based on alleged violation of any provision of this agreement.
5. This agreement is for a term of twelve months and shall remain in force and be renewed automatically for successive terms of twelve months each, subject to cancellation by either party at the end of any such twelve month period on written notice mailed or delivered to the office of the other party not less than thirty days before the date for termination; further subject to the right of Sterling Credit Screening, Inc., at any time whether during or at the end of any twelve month period and without prior notice, to terminate this agreement in event of any federal or state law or decision which affects the economic operation of Sterling Credit Screening, Inc., or any violation by Customer of any provision of this agreement, and further subject to the right of Customer at any time, whether during or at the end of any twelve month period and without prior written notice, to terminate this agreement in event of increase in charges to the Customer, as provided herein.
6. No information furnished to Customer is guaranteed nor is Sterling Credit Screening, Inc., in any way responsible for such information. Sterling Credit Screening, Inc., shall not be responsible or liable for any loss caused by neglect or act of any of its servants, agents, attorneys, clerks or employees in procuring, collecting and communicating any information furnished by or to Customer. No promise, statement, representation or agreement made by any employee or other representative of Sterling Credit Screening, Inc., and not expressed in this agreement shall bind it contractually or otherwise to Customer.

7. 15 U.S.C. §1681 *et seq.* provides that any person who knowingly and willfully obtains information on a consumer from a consumer reporting agency under false pretenses shall be fined under title 18, United States Code, imprisoned not more than two years, or both.
8. 15 U.S.C. §1681 *et seq.* also requires certain other responsibilities of consumer reports from consumer reporting agencies. Those responsibilities are attached (and made a part hereof) as Appendix A to this Agreement.
9. Sterling Credit Screening, Inc. will not accept applications nor conduct business with anyone other than Mortgage Bankers, or Mortgage Brokers. Sterling Credit Screening, Inc., and Customer agree to comply with all Federal, State and Local statutes, regulations and rules applicable to consumer credit information including, without limitation, the Fair Credit Reporting Act ("FCRA"), and to comply with the Real Estate Settlement Procedures Act ("RESPA").
10. Access Security Requirements. Recognizing our obligation to fully support and implement policies, which protect the confidential nature of the information in our database and assure respect for consumers' right to privacy. Only companies that are approved members of our services and have a permissible purpose for obtaining credit reports are permitted access to credit information. It is a requirement that all Customers take precautions to secure any system or device used to access consumer credit information. To that end, the following requirements have been established:
 - A. Your account number and password must be protected in such a way that this sensitive information is known only to key personnel. Under no circumstances should unauthorized person have knowledge of your password. The information should not be posted in any manner within your facility.
 - B. Any system access software you may use, whether developed by your company or purchased from a third party vendor, must have your account number and password "hidden." Or embedded so that the password is known only to supervisory personnel. Each User of your system access software must then be assigned unique logon passwords.
 - C. Your account number and passwords are not to be discussed by telephone to any unknown caller, even if the caller claims to be an employee.
 - D. The ability to obtain credit information must be restricted to a few key personnel.
 - E. Any terminal devices used to obtain credit information should be placed in a secure location within your facility. Access to the devices should be difficult for unauthorized persons.
 - F. Any devices/systems used to obtain consumer reports should be turned off and locked after normal business hours, when unattended by your key personnel.
 - G. Hard Copies and electronic files of consumer reports are to be secured within facilities and protected against release or disclosure to unauthorized persons.
 - H. Hard copy consumer reports are to be shredded or destroyed, rendered unreadable, when no longer needed and when it is permitted to do so by applicable regulation (s).
 - I. Electronic files containing consumer report data and/or information will be completely erased or rendered unreadable when no longer needed and when destruction is permitted by applicable regulation(s).

“Any person who knowingly and willfully obtains information on a consumer from a consumer-reporting agency under false pretenses shall be fined not more than \$5,000 or imprisoned not more than one year, or both.”

11. Model Scores. All contracts between Sterling Credit Screening, Inc., and Customers for the resale of the Scores and reason codes generated by the Model shall contain the following provisions, each of which is material.
- A. The Customer warrants that it has a “permissible purpose” under the Fair Credit Reporting Act, as it may be amended for time to time; to obtain the information derived from the Model.
 - B. The Customer agrees to limit its use of the scores and reason codes solely to use in its own business with no right to transfer or otherwise sell, license, sublicense or distribute said Scores or reason codes to third parties.
 - C. A requirement that each Customer maintain internal procedures to minimize the risk of unauthorized disclosure and agree that such Scores and reason codes will be held in strict confidence and disclosed only to those of its employees with a “need to know” and to no other person.
 - D. A specific requirement, notwithstanding the generality of the provision in (C) immediately above, that the Customer may not disclose the Score to the consumer whose credit information has been scored, and a statement that the Customer acknowledges and agrees that the Score is the proprietary information of the Bureau.
 - E. A requirement that each Customer comply with all applicable laws and regulations in using the Scores and reason codes purchased from Sterling Credit Screening, Inc.
 - F. A prohibition on the use by Customer, its employees, agents or subcontractors, of the trademarks, service marks, logo, names or any other proprietary designations, whether registered or unregistered of national bureaus, or the affiliates of either of them, or of any other party involved in the provision of Model without such entity’s prior written consent.
 - G. A prohibition on any attempts by Customer in any manner, directly or indirectly, to discover reverse engineer any confidential and proprietary criteria developed or used by bureaus in performing the model.
 - H. Warrants that the Model Score is empirically derived and demonstrably and statistically sound and that to the extent the population to which the model is applied is similar to the population sample on which the Model was developed, the Model Score may be relied upon by Sterling Credit Screening, Inc. and/or Customer to rank consumers in the order of the risk of unsatisfactory payment such consumers might present to Customers. The bureaus further warrants that so long as it provides the model, it will comply with regulations promulgated from time to time pursuant to the Equal Credit Opportunity Act, 15 USC Section 1691 et seq. Sterling Credit Screening, Inc. and each respective Customers rights under the foregoing warranty are expressly conditioned upon each respective Customers periodic revalidation of the model in compliance with the requirements of Regulation B as it may be amended from time to time (12 CFR Section 202 et seq.)
 - I. A provision limiting the aggregate liability of the Bureaus to each Customer to the lesser of the Fees paid by Sterling Credit Screening, Inc. to the bureaus pursuant to Section 3.A of this agreement for the model resold to the pertinent Customer during the

six month period immediately preceding the Customers claim, or the fees paid by the pertinent Customer to Sterling Credit Screening, Inc. under the Resale Contract during said six month period, and excluding any liability of the bureau for incidental, indirect, special or consequential damages of any kind.

Sterling Credit Screening, Inc. hereby agrees to provide said Customer the following Model Scores upon request with each extraction where said customer has initialed:

_____ Experian / Fair Isaac Model
_____ Transunion Corp / Empirca
_____ Equifax Services / Beacon

12. Sterling Credit Screening, Inc. payment terms are due upon receipt. All accounts not paid within 30 days, unless prior arrangements have been made in writing, will be sent for collection. In addition, the Customer agrees to reimburse Sterling Credit Screening, Inc., for all costs, collection fees, reasonable attorney fees, other losses and/or expenses which may be expended or incurred in obtaining payment.

13. This Agreement shall be governed by and construed under the laws of the State of New York.

DATED this _____ day of _____, 2005.

Sterling Credit Screening, Inc.

Customer Company

Authorized Signature

Paul Mladineo,
Vice President and General Manager

Street Address

249 West 17th Street, 6th Floor

City, State Zip

New York, NY 10011

APPENDIX A
NOTICE TO USERS OF CONSUMER REPORTS:
OBLIGATIONS OF USERS UNDER THE FCRA

The Fair Credit Reporting Act (FCRA) requires that this notice be sent to inform users of consumer reports of their legal obligations. The following is a summary of the responsibilities imposed by the FCRA. The FCRA, 15 U.S.C. 1681 et seq., is set forth in full at the Federal Trade Commission's Internet web site (<http://www.ftc.gov>).

I. OBLIGATIONS OF ALL USERS OF CONSUMER REPORTS

A. Users Must Have a Permissible Purpose

Congress has limited the use of consumer reports to protect consumers' privacy. All users must have a permissible purpose under the FCRA to obtain a consumer report. Section 604 of the FCRA contains a list of the permissible purposes under the law. These are:

- As permitted by order of a court or a federal grand jury subpoena. Section 604(a)(1)
- For any purpose if the consumer gives permission in writing. Section 604(a)(2)
- For the extension of credit as a result of an application from a consumer, or the review or collection of a consumer's account. Section 604(a)(3)(A)
- For employment purposes, including hiring and promotion decisions, where the consumer has given written permission. Sections 604(a)(3)(B) and 604(b)
- For the underwriting of insurance as a result of an application from a consumer. Section 604(a)(3)(C)
- When there is a legitimate business need, in connection with a business transaction that is initiated by the consumer. Section 604(a)(3)(F)(i)
- To review a consumer's account to determine whether the consumer continues to meet the terms of the account. Section 604(a)(3)(F)(ii)
- To determine a consumer's eligibility for a license or other benefit granted by a governmental instrumentality required by law to consider an applicant's financial responsibility or status. Section 604(a)(3)(D)
- For use by a potential investor or servicer, or current insurer, in a valuation of, or an assessment of, the credit or repayment risks associated with an existing credit obligation. Section 604(a)(3)(E)
- For use by state and local officials in connection with the determination of child support payments, or modifications and enforcement thereof. Sections 604(a)(4) and 604(a)(5)

In addition, creditors and insurers may obtain certain consumer report information for the purpose of making unsolicited offers of credit or insurance. The particular obligations of users of this "prescreened" information are described in Section V below.

B. Users Must Provide Certifications

Section 604(f) of the FCRA prohibits any person from obtaining a consumer report from a consumer reporting agency (CRA) unless the person certifies the permissible purpose(s) for which the report is being obtained and certifies that the report will not be used for any other purpose.

C. Users Must Notify Consumers When Adverse Actions Are Taken

The term "adverse action" is defined very broadly by Section 603 of the FCRA. "Adverse actions" include all business, credit, and employment actions affecting consumers that can be considered to have a negative impact – such as unfavorably changing credit or contract terms or conditions, denying or canceling credit or insurance, and denying employment or promotion.

1. Adverse Actions Based on Consumer Reports

If a user takes any type of adverse action that is based at least in part on information contained in a consumer report, the user is required by Section 615 of the FCRA to notify the consumer. The notification may be done in writing, orally, or by electronic means. It must include the following:

- The name, address, and telephone number (including any toll-free telephone number) of the CRA that provided the report.
- A statement that the CRA did not make the adverse decision and cannot explain why the decision was made.
- A statement setting forth the consumer's right to obtain a free copy of the consumer report from the CRA if the consumer requests the report within 60 days.
- A statement setting forth the consumer's right to dispute directly with the CRA the accuracy or completeness of any information provided by the CRA.

2. Adverse Actions Based on Information Obtained From Third Parties Who Are Not Consumer Reporting Agencies

If a person takes an adverse action in connection with a credit transaction for personal, family, or household purposes that is based either wholly or partly upon information from a person other than a CRA, and the information is the type of consumer information covered by the FCRA, Section 615(b)(1) of the FCRA requires that the user clearly and accurately disclose to the consumer his or her right to obtain disclosure of the nature of the information that was relied upon by making a written request within 60 days of notification. The user must provide the disclosure within a reasonable period of time following the consumer's written request.

3. Adverse Actions Based on Information Obtained From Affiliates

If a person takes an adverse action involving credit, insurance, or employment based on information of the type covered by the FCRA, and this information was obtained from an entity affiliated with the user of the information by common ownership or control, Section 615(b)(2) requires the user to notify the consumer of the adverse action. The notification must inform the consumer that he or she may obtain a disclosure of the nature of the information relied upon by making a written request within 60 days of receiving the adverse action notice. If the consumer makes such a request, the user must disclose the nature of the information not later than 30 days after receiving the request. (Information that is obtained directly from an affiliated entity relating solely to its transactions or experiences with the consumer, and information obtained in a consumer report from an affiliate are not covered by Section 615(b)(2).)

II. OBLIGATIONS OF USERS WHEN CONSUMER REPORTS ARE OBTAINED FOR EMPLOYMENT PURPOSES

If information from a CRA is used for employment purposes, the user has specific duties, which are set forth in Section 604(b) of the FCRA. The user must:

- Make a clear and conspicuous written disclosure to the consumer before the report is obtained, in a document that consists solely of the disclosure, that a consumer report may be obtained.
- Obtain prior written authorization from the consumer.
- Certify to the CRA that the above steps have been followed, that the information being obtained will not be used in violation of any federal or state equal opportunity law or regulation, and that, if any adverse action is taken based on the consumer report, a copy of the report and a summary of the consumer's rights will be provided to the consumer.
- Before taking an adverse action, provide a copy of the report to the consumer as well as the summary of the consumer's rights. (The user should receive this summary from the CRA,

because Section 604(b)(1)(B) of the FCRA requires CRAs to provide a copy of the summary with each consumer report obtained for employment purposes.)

III. OBLIGATIONS OF USERS OF INVESTIGATIVE CONSUMER REPORTS

Investigative consumer reports are a special type of consumer report in which information about a consumer's character, general reputation, personal characteristics, and mode of living is obtained through personal interviews. Consumers who are the subjects of such reports are given special rights under the FCRA. If a user intends to obtain an investigative consumer report, Section 606 of the FCRA requires the following:

- The user must disclose to the consumer that an investigative consumer report may be obtained. This must be done in a written disclosure that is mailed, or otherwise delivered, to the consumer not later than three days after the date on which the report was first requested. The disclosure must include a statement informing the consumer of his or her right to request additional disclosures of the nature and scope of the investigation as described below, and must include the summary of consumer rights required by Section 609 of the FCRA. (The user should be able to obtain a copy of the notice of consumer rights from the CRA that provided the consumer report.)
- The user must certify to the CRA that the disclosures set forth above have been made and that the user will make the disclosure described below.
- Upon the written request of a consumer made within a reasonable period of time after the disclosures required above, the user must make a complete disclosure of the nature and scope of the investigation that was requested. This must be made in a written statement that is mailed, or otherwise delivered, to the consumer no later than five days after the date on which the request was received from the consumer or the report was first requested, whichever is later in time.

IV. OBLIGATIONS OF USERS OF CONSUMER REPORTS CONTAINING MEDICAL INFORMATION

Section 604(g) of the FCRA prohibits consumer reporting agencies from providing consumer reports that contain medical information for employment purposes, or in connection with credit or insurance transactions, without the specific prior consent of the consumer who is the subject of the report. In the case of medical information being sought for employment purposes, the consumer must explicitly consent to the release of the medical information in addition to authorizing the obtaining of a consumer report generally.

V. OBLIGATIONS OF USERS OF "PRESCREENED" LISTS

The FCRA permits creditors and insurers to obtain limited consumer report information for use in connection with unsolicited offers of credit or insurance under certain circumstances. Sections 603(l), 604(c), 604(e), and 615(d) This practice is known as "prescreening" and typically involves obtaining a list of consumers from a CRA who meet certain preestablished criteria. If any person intends to use prescreened lists, that person must (1) before the offer is made, establish the criteria that will be relied upon to make the offer and grant credit or insurance, and (2) maintain such criteria on file for a three-year period beginning on the date on which the offer is made to each consumer. In addition, any user must provide with each written solicitation a clear and conspicuous statement that:

- Information contained in the consumer's file was used in connection with the transaction.
- The consumer received the offer because he or she satisfied the criteria for credit worthiness or insurability used to screen for the offer.
- Credit or insurance may not be extended if, after the consumer responds, it is determined that the consumer does not meet the criteria used for screening or any applicable criteria bearing on credit worthiness or insurability, or the consumer is not able to furnish required collateral.

- The consumer may prohibit the use of information in his or her file in connection with future prescreened offers of credit or insurance by contacting the notification system established by the CRA that provided the report. This statement must include the address and toll-free telephone number of the appropriate notification system.

VI. OBLIGATIONS OF RESELLERS

Section 607(e) of the FCRA requires any person who obtains a consumer report for resale to take the following steps:

- Disclose the identity of the end-user to the source CRA.
- Identify to the source CRA each permissible purpose for which the report will be furnished to the end-user.
- Establish and follow reasonable procedures to ensure that reports are resold only for permissible purposes, including procedures to obtain: (1) the identity of all end-users; (2) certifications from all users of each purpose for which reports will be used; and (3) certifications that reports will not be used for any purpose other than the purpose(s) specified to the reseller. Resellers must make reasonable efforts to verify this information.

VII. LIABILITY FOR VIOLATIONS OF THE FCRA

Failure to comply with the FCRA can result in state or federal enforcement actions, as well as private lawsuits. Sections 616, 617, and 621. In addition, any person who knowingly and willfully obtains a consumer report under false pretenses may face criminal prosecution. *Section 619.*