

## **Exhibit B**

### **Lender Code of Conduct**

The Mortgage Services Program is a transparent marketplace for Costco Members with a select group of lenders to facilitate a Member's ability to access some of the most competitive mortgage rates and products in the country. To keep the Mortgage Services Program consistent with a philosophy of "Highest Quality and Service at the Best Prices", First Choice Loan Services ("FCLS") requires each Lender to adhere and abide by the following guiding principles. All capitalized terms are defined as set forth in the Marketing Services Agreement:

#### **Principles of Excellence**

- Be Truthful:
  - Lenders shall stand behind their quotes and offers when provided accurate and truthful information from Borrowers. When market conditions change, Lenders shall adjust the offer in a manner consistent with the market change.
  - Lenders shall ensure all data provided to the Borrower or customer is accurate and current.
  - Lenders shall be forthright and transparent in all communications.
  - Lenders shall disclose and provide to Borrowers all relevant information and data.
  - Protect the reputation and goodwill of the Program, Costco and FCLS.
  - Be Courteous and Professional
  - Lenders shall treat Borrowers and customers and their representatives with respect and professionalism. Do not use rude or abusive language. Each Lender should maintain the highest level of professionalism and abide by all applicable local, state or federal laws and regulations.

#### **Price and Rate Assurance agreed to by Participating Lenders**

- Stand behind your quotes.
  - Participating Lenders have agreed to and will be monitored to ensure pricing complies within standard which are consistent with the intent of the Program which includes but are not limited to:
    - Avoiding pricing practices with intent of or which could be mistaken for luring or deceiving the borrower.
    - Making adjustments to any posted Mortgage Product offering to ensure that it will be consistent with the market changes and discovery of new and pertinent information attained during the application process.
    - Although market conditions as well as non-validated personal borrowers prevents an initial quote from being a binding offer; Lenders shall stand by their offers when the information provided by the borrower is accurate and market conditions remain consistent.
- Full Disclosure to all terms of the Loan

Lenders shall be forthright and disclose any reasonable options and the applicable rates and fees.

- Obey the law

Discrimination in mortgage lending is prohibited by law, including the U.S. Department of Housing and Urban Development's (HUD) Fair Housing Act and the Office of Fair Housing and Equal Opportunity actively enforces those provisions of the law. The Fair Lending Act makes it unlawful to engage certain practices based on race, color, national origin, religion, sex, familial status or handicap (disability), including but not limited to:

- Refusing to make a mortgage loan
- Refusing to provide information regarding loans
- Imposing different terms or conditions on a loan, such as different interest rates, points, or fees
- Discriminating in appraising property
- Refusing to purchase a loan or set different terms or conditions for purchasing a loan

### **Rates and Fees:**

Lenders shall adhere to the following pricing and fee assurance:

- Lenders shall provide Members with the most competitive rate at the time the Lender provides quote to the Members as reflected on the LoanLogics Dashboard System, Affinity system or such other mortgage rate reporting system identified by FCLS.
- Lenders shall ensure that the average total cost of all loans originated by each Lender, on a Lender-by-Lender basis, during any month of the Term is at least one thousand two hundred dollars (\$1,200) less than the average total cost of the corresponding mortgage loan product reported on the Primary Mortgage Market Survey published by FreddieMac (the "PMMS") for the same period, in each case measured over the life of the loan.
- For all quotes with loan amount greater than \$100,000, Lenders shall ensure that it has a maximum of 101.30 basis point ceiling on the margin for each loan quoted to and closed for Members, or such other ceiling of which First Choice notifies the Lender from time to time.
- For all quotes with loan amount equal to or less than \$100,000, Lenders shall ensure that it has a maximum of 102.00 basis point ceiling on the margin for each loan quoted to and closed for Members, or such other ceiling of which First Choice notifies the Lender from time to time.
- Direct Lender fees (excluding third party fees) incurred by each "Executive Costco Member" for a first lien residential mortgage loan (home purchase and refinance) obtained using the Mortgage Services Program shall be no more than five hundred dollars (\$500) and no more than six hundred fifty dollars (\$650) for each other Costco Member and there shall be no Lender fees paid for a second lien residential mortgage loan (home equity lines of credit and home equity loan), in each case except as set forth on Attachment 1 to Exhibit 1.

- Lenders agree to provide each requested report on the date which they are due to the Provider and FCLS.
- \* The term “total cost” means the sum of all points for a loan, expressed as a dollar amount, plus all Lender fees (excluding third party fees) for a loan.

### **Marketing or other Materials**

Lenders shall not use any reference to the Mortgage Services Program or Costco without the express written consent and approval of First Choice which shall work with Costco to ensure Costco’s procedures and policies are adhered to.