

## INDEPENDENT REPRESENTATIVE AGREEMENT

THIS AGREEMENT is made as of \_\_\_\_\_, 20\_\_ between HMS Credit Services, a division of HMS Companies Inc., a Michigan corporation (“HMS Credit Services”), and \_\_\_\_\_ (“Independent Representative”).

### Background

HMS Credit Services is in the business of providing informational reporting products such as tenancy credit reports, eviction reports, foreclosure reports, bankruptcy reports, national and international criminal searches and other informational reporting products (collectively, the “Products”). HMS Credit Services desires to engage Independent Representative, and Independent Representative desires to become so engaged, to market the Products to customers on behalf of HMS Credit Services and its affiliates.

### Terms and Conditions

NOW THEREFORE, the parties agree as follows:

1. Appointment. HMS Credit Services hereby appoints Independent Representative, and Independent Representative hereby accepts such appointment, to perform the services described in Exhibit “A” (the “Services”). Independent Representative has reviewed Exhibit “A” and is fully equipped and properly qualified to perform the Services. All work to be furnished and performed by Independent Representative, and Independent Representative’s employees and agents, shall be performed to the reasonable satisfaction of HMS Credit Services and within such time limits as HMS Credit Services may reasonably require.

1.1 Addenda. The following addenda are incorporated into this Agreement by reference:

Addendum 1 – Fair Credit Reporting Act Compliance Requirements.

Addendum 2 – End User Verifications and Investigation Requirements.

Addendum 3 – Authorization Form

---

1.2 By creating an account at hmscredit.com, the independent representative agrees to a credit and criminal background check on all registered “authorized” users. Please print and complete the Authorization form in Addendum 3 for all authorized users listed on your account. This form can also be found on hmscredit.com via the My Account tab.

1.3 Business Plan. Independent Representative shall prepare a Business Plan with pricing information for approval by HMS Credit Services to be updated annually by the anniversary date of this Agreement. Please supply a copy of your business license or tax ID certificate along with your completed application.

2. Grant of License. HMS Credit Services hereby grants to Independent Representative the non-exclusive right and license, if Independent Representative has End User

permissible purpose to (i) access HMS Credit Services' website at HMSCredit.com for the purpose of requesting and obtaining background reports; (ii) access HMS Credit Services' website at HMSCredit.com for the purpose of requesting credit reports; and (iii) use the name "HMS Credit Services" and any trade marks or service marks associated therewith, all exclusively for the limited purpose of performing the Remarketing Services hereunder. Independent Representative may not assign or sublicense its rights granted herein without the prior written consent of HMS Credit Services.

### 3. Term and Termination.

3.1 The term of this Agreement shall commence on the date set forth above and shall expire one year from that date; provided, however, that the term may be extended for subsequent one year periods upon payment by Independent Representative to HMS Credit Services of the annual renewal fee set forth in Section 4.1.b. within 30 days after the anniversary date of this Agreement.

3.2 Either party may terminate this Agreement upon breach or default by the other party, effective upon 30 days' prior written notice to the other party and failure to cure such breach or default within such 30 day period.

3.3 Either party may terminate this Agreement, with or without cause, effective upon 90 days' prior written notice to the other party.

3.4 HMS Credit Services may terminate this Agreement immediately upon written notice if (i) Independent Representative fails to comply with Section 10.1, or (ii) one or more of the underlying agreements of HMS Credit Services with its repositories.

3.5 All fees due to either party which are accrued but unpaid as of the effective date of such termination shall be due within 10 days of receipt of invoice by the other party.

4. Payment for Services. The parties agree to the compensation arrangements set forth as follows:

4.1. Independent Representative agrees to pay the following fees to HMS Credit Services, in consideration of the rights and benefits it will receive pursuant to this Agreement: Within 10 days of the effective date of this Agreement, an initial access fee of \$100 for the nonexclusive right to independently represent HMS Credit Services under this Agreement; and

4.2 HMS Credit agrees to pay to Independent Representative within 30 days after the anniversary date of this Agreement each year, a fee of 20% of the annual subscription fee collected by HMS Credit from the Independent Representative's End Users.

4.3. In addition, HMS Credit agrees to pay to Independent Representative within 20 days of receipt of 10% of the gross profit received for each unit of Product sold to the Independent Representative's End User.

4.3 All fees to be paid by Independent Representative shall be without setoff, charge-back or deduction based on quality of any Products received from reporting agencies or non-payment by any member or customer to Independent Representative.

5. Expenses. All expenses including, travel, office, clerical, equipment, equipment maintenance, employees and general research expenses that may be incurred by Independent Representative in connection with this Agreement shall be borne wholly by Independent Representative, and in no case shall HMS Credit Services be responsible or liable therefor.

6. Record Keeping. Independent Representative shall keep HMS Credit Services fully informed of Independent Representative's progress in performing the Services required herein. Independent Representative agrees to use the designated website of HMSCredit.com to track member customers referred to HMS Credit Services or its affiliates by Independent Representative. HMS Credit Services will monitor and track the sales generated by Independent Representative on that website. Independent Representative also agrees to comply with all other record keeping requirements of HMS Credit Services, or any state or federal law or regulation, including as set forth in Addendum 1 attached hereto, and any inspections or consent forms.

7. Duties of HMS Credit Services. HMS Credit Services agrees to use reasonable business efforts to (i) actively develop and support Independent Representative's familiarity with the Products, (ii) provide access to nation-wide, up to date and cost effective informational reports, (iii) assist in obtaining technical advice and assistance for troubleshooting problems with obtaining or downloading Products, (iv) provide certification and compliance educational information via its website, and newsletters, (v) forward any indications of market interest, difficulties/changes with Products, or inquiries on technical matters to Independent Representative as promptly as possible, and (vi) handle account management for Independent Representative, including data associated with Products sold to customers.

8. Non-Exclusivity. Independent Representative acknowledges that HMS Credit Services may retain other independent representatives to sell Products, and that this Agreement does not limit the sale of Products within a specified territory.

9. Indemnification; Insurance.

9.1 Independent Representative shall defend, indemnify and hold harmless HMS Credit Services, its directors, officers, employees, agents, affiliates, successors and assigns, and its repositories from any claims, damages or expenses, including reasonable attorneys' fees, arising or alleged to arise in whole or in part from: (i) the conduct of Independent Representative's business or other activities; (ii) any breach of any terms stated herein; or (iii) any act or failure to act of Independent Representative; irrespective of whether or not such claim, damage or expense is caused or alleged to be caused, in part by HMS Credit Services' joint, several or comparative, but not sole, negligence, breach of contract or warranty or any other breach of duty of HMS Credit Services asserted under any legal theory. Without limiting the foregoing, Independent Representative agrees to be solely responsible for any fines, costs or expenses resulting from or in connection with any non-compliance by Independent Representative with any state or federal law or regulation.

9.2 Independent Representative shall give HMS Credit Services prompt notice of any action or proceeding relating to the preceding section and shall provide HMS Credit Services with all reasonable cooperation and information in their possession.

9.3 Independent Representative shall carry, during the entire term hereof, adequate public liability, property damage, errors and omissions and professional liability insurance covering all of Independent Representative's business activities and operations relating to the Services in which the limits of liability shall not be less than \$1,000,000 single limit coverage, naming HMS Credit Services as an additional insured with respect to the errors and omissions, and professional liability insurance policies. Independent Representative shall furnish HMS Credit Services with a certificate or other acceptable evidence that such insurance is in force at all times during the term of this Agreement.

10. Representations of Independent Representative.

10.1 Independent Representative specifically understands and agrees to advise its End Users or Customers not resell any of the Products in any way, understanding that to do so would result in a violation of the Fair Credit Reporting Act and HMS Credit Services' agreement with its repositories of reports. Failure to comply with this requirement will result in immediate termination of this Agreement.

10.2 Independent Representative represents that neither the execution nor performance of this Agreement will violate, be in conflict with, or result in a breach of any contract or agreement including, but not limited to, any restrictive covenant to which Independent Representative is a party or to which Independent Representative is bound.

10.3 Independent Representative shall promote and reference exclusively the contracts and forms required to subscribe and bind customers to the legal requirements of HMS Credit Services or its repositories of reports, which contracts and forms shall be in accordance with the Fair Credit Reporting Act, as amended, and all other federal, state and local laws, regulations or ordinances as may apply.

10.4 Independent Representative shall perform the Services in full compliance with all applicable federal, state and local laws and regulations governing the conduct of Independent Representative's business, including the Fair Credit Reporting Act.

10.5 Independent Representative will take all reasonable steps to safeguard all login and password information, so as to ensure that no unauthorized person will have access to the Products, and that no persons authorized to have access will make any unauthorized use thereof. Independent Representative will promptly report to HMS Credit Services any unauthorized access to or use of the Products of which Independent Representative becomes aware, and Independent Representative agrees to take such further steps as may reasonably be requested by HMS Credit Services to prevent unauthorized use thereof.

10.6 Independent Representative agrees to comply with all requirements of HMS Credit Services, or other repositories of reports, including audits and random checks on supporting documentation.

10.7 Install a link to HMSCredit.com on Independent Representative's web site, to be accessed directly by End Users or by Independent Representative on behalf of its customers for purchase of any of the Products.

11. No Warranty; Limitation of Liability.

11.1 The Products are being sold by HMS Credit Services strictly "as is" and "where is" with no representation or warranty as to the condition or quality of the Products. Notwithstanding the foregoing, the maximum liability of HMS Credit Services for any defective Products, under any type of claim or theory, shall be limited to return of the amount paid to HMS Credit Services for the particular variety of defective Product.

11.2 Independent Representative shall not, unless it has obtained HMS Credit Services' prior written approval, make any representations, warranties or guaranties to any customer/member concerning any Products.

11.3 HMS CREDIT SERVICES SHALL NOT BE RESPONSIBLE FOR ANY DAMAGES, WHETHER OR NOT FORESEEABLE, THAT ARE SUSTAINED BY INDEPENDENT REPRESENTATIVE AND ARISE FROM HMS CREDIT SERVICES' PERFORMANCE OR NONPERFORMANCE OF ANY SERVICE (INCLUDING THE PROVISION OR NON-PROVISION OF REPORTS AND SERVICES) REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE. HMS CREDIT SERVICES SHALL NOT BE LIABLE FOR ANY INCIDENTAL, INDIRECT, CONSEQUENTIAL, SPECIAL EXEMPLARY OR PUNITIVE DAMAGES (INCLUDING LOSS OF PROFITS, GOODWILL, DATA, USE OR REVENUES OR INCREASED COST OF OPERATIONS), WHETHER OR NOT HMS CREDIT SERVICES HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

11.4 HMS Credit Services is not responsible for service interruption or disconnects at any point of access to the Products. Independent Representative holds HMS Credit Services non-liaible for any and all service difficulty included but not limited to delays, interruptions, errors or defects.

12. Confidential Information. "Confidential Information" includes any information which Independent Representative may acquire respecting HMS Credit Services, HMS Credit Services' business, or concerning any customer, including but not limited to: financial data, product data, pricing data, customer data, data regarding Products, names of customers and information concerning their actual and proposed purchases; marketing plans; promotional materials; and quotations. Independent Representative represents and agrees:

a. that it shall use "Confidential Information" solely for the purpose of performing its responsibilities under this Agreement;

b. it shall limit the dissemination of Confidential Information to only those of its employees, if any, who have a need to know in order to perform its obligations under this Agreement; and, shall make such employees aware of the terms of this section and shall take appropriate action with respect to such employees to insure that the obligations of non-use and non-disclosure under this Agreement are fully satisfied;

c. it shall not copy or reproduce any Confidential Information except for its own internal use in performing its responsibilities under this Agreement;

d. it shall not use any of the Confidential Information for its own benefit except as otherwise permitted by agreement of the parties; and

e. it shall return all Confidential Information to HMS Credit Services and all copies thereof, computer records, memoranda and other property related thereto, upon termination of this Agreement or upon request of HMS Credit Services.

The restrictions in this Section shall continue in full force and shall be binding on the parties for the term of this Agreement and for an indefinite period of time following the termination of this Agreement.

13. Covenant Not to Compete. During the term of this Agreement and for a period of five (5) years after termination of this Agreement, Independent Representative agrees not to, directly or indirectly, on Independent Representative's own behalf, or on behalf of any person, corporation or entity, whether as employee, agent, consultant, owner or in any capacity:

a. solicit, quote, broker or accept any orders from any customers or accounts of HMS Credit Services, including any individuals or entities for whom HMS Credit Services has provided proposals (the "HMS Customers"), for products similar to HMS Credit Services' products; or

b. request or advise any HMS Customer to withdraw his, her or its business with HMS Credit Services; or

c. request or advise any employee to terminate employment with HMS Credit Services; or

d. use personally or disclose to any person or entity the name of any HMS Customer.

14. Invention Rights.

14.1 Independent Representative agrees to promptly inform HMS Credit Services of the full details of any inventions, discoveries, concepts, and ideas (collectively called "Developments"), whether patentable or not including hardware and apparatus, processes and methods, formulae, software, computer programs and techniques, as well as any improvements and related knowledge, which Independent Representative conceives, completes, or reduces to practice (whether alone or jointly with others) while retained by HMS Credit Services and which relate to the present or prospective business of HMS Credit Services or the Products.

14.2 Independent Representative agrees to assign, and does hereby assign, to HMS Credit Services, Independent Representative's entire right, title and interest in all Developments, all trademarks, copyrights and mask work rights in Developments, and all patent applications filed and patents granted on any Developments, including those in foreign countries, which Independent Representative conceives or makes (whether alone or with others) during the term of this Agreement or within one year of the end of term of this Agreement (if conceived as a result of rendering the Services).

14.3 Both during this Agreement and afterwards, Independent Representative agrees to execute any documents that HMS Credit Services may consider necessary or helpful to obtain or maintain patents, whether during the prosecution of patent applications or during the conduct of an interference, litigation, or other matter (all related expenses to be borne by HMS Credit Services).

15. Remedies. Independent Representative acknowledges that a violation by it of the terms of this Agreement may give rise to irreparable injury to HMS Credit Services inadequately compensable in damages, and accordingly, Independent Representative agrees that HMS Credit Services may seek and obtain injunctive relief against such breach or threatened breach, in addition to any other legal remedies which may be available, including recovery of monetary damages or set off against any amounts owed to Independent Representative by HMS Credit Services, and the period of restriction shall be deemed to commence upon the entry of the court's order for relief. In any action successfully brought by HMS Credit Services against Independent Representative to enforce the rights of HMS Credit Services under this Agreement, HMS Credit Services shall also be entitled to recover reasonable attorneys' fees and costs of the action.

16. Miscellaneous.

16.1 Independent Contractor Status. Independent Representative is an independent contractor and, as such, is free to select its own personnel and establish their compensation. Nothing contained in this Agreement shall be deemed (i) to make either party (or any employee, agent or representative of either party), an employee or agent of the other party, (ii) to create any partnership, joint venture, association or franchise between the parties, or (iii) to confer any express or implied right, power or authority to enter into any agreement or commitment, express or implied, or to incur any obligation or liability, on behalf of the other party.

16.2 Payment of Taxes. Independent Representative is an independent contractor and as such, will not be treated as an employee for federal or other tax purposes with respect to services performed hereunder. Independent Representative shall pay all taxes due and arising from payments made to Independent Representative by HMS Credit Services required under any applicable federal, state or local laws and shall withhold all social security, federal, state and local taxes for Independent Representative and any of their employees or agents.

16.3 Notice. All notices, demands and requests required or permitted to be given under the provisions of this Agreement shall be in writing and shall be deemed given: (a) when personally delivered to the party to be given such notice or other communication; (b) on the business day that such notice or other communication is sent by facsimile or similar electronic device, fully prepaid, which facsimile or similar electronic communication shall promptly be confirmed by written notice; (c) on the third business day following the date of deposit in the United States mail if such notice or other communication is sent by certified mail with return receipt requested and postage thereon fully prepaid; or (d) on the business day following the day such notice or other communication is sent by reputable overnight courier, to the address set forth below or to such other addresses as the parties may designate in writing.

If to HMS Credit Services:

HMS Credit Services  
935 John St,  
Kalamazoo, MI 49001

If to Independent Representative:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

16.4 Invalidity and Implied Waivers. The invalidity of any provision of this Agreement shall not affect the validity of the remainder of any such provision or the remaining provisions of this Agreement. Failure of either party to insist upon strict performance of any part of this Agreement shall not be considered a waiver of such performance and shall not prevent either party from subsequently insisting upon strict performance.

16.5 Entire Agreement and Amendment. This writing contains the entire agreement between the parties with respect to the matters described herein and is a complete and exclusive statement as to the terms thereof and supersedes all previous agreements. This Agreement may not be altered or modified except by a writing signed by the party against whom such alteration or modification is sought.

16.6 Assignment. This Agreement shall be for the benefit of the parties and their respective successors, and may not be assigned without the written consent of the parties hereto.

16.7 Dispute Resolution. In the event a dispute arises between the parties concerning the performance of this Agreement, the parties agree to meet, and negotiate in good faith, in order to attempt to resolve the dispute. The meeting shall take place within thirty (30) days after one party sends the other party written notice identifying the cause or reason for the dispute and requesting a meeting. The parties agree that neither party will file any lawsuit for the purpose of resolving a dispute until sixty (60) days after the date on which the parties held their final meeting to resolve the dispute.

16.8 Choice of Law and Choice of Forum. This Agreement shall be governed, construed and enforced in accordance with the laws of the State of Michigan without regard to choice of law principles. Any and all action concerning any dispute arising hereunder shall be filed and maintained only in the state and federal courts in Kalamazoo County, Michigan. The parties hereby consent to the jurisdiction of such courts.

16.9 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be considered an original and be effective as of the date first written above.

16.10 Opportunity to Review; Screening Authorization. INDEPENDENT REPRESENTATIVE ACKNOWLEDGES THAT IT HAS READ AND UNDERSTANDS THE PROVISIONS OF THIS AGREEMENT, THAT THEY HAVE BEEN GIVEN AN OPPORTUNITY FOR ITS LEGAL COUNSEL TO REVIEW THIS AGREEMENT AND THAT IT AGREES THAT THE PROVISIONS OF THIS AGREEMENT ARE REASONABLE AND ENFORCEABLE. INDEPENDENT REPRESENTATIVE AGREES, AS AN INDUCEMENT TO DO BUSINESS WITH HMS CREDIT SERVICES, TO ALLOW HMS CREDIT SERVICES TO CONDUCT A BACKGROUND SCREENING AND A CREDIT SCREENING ON THE PRINCIPALS OF INDEPENDENT REPRESENTATIVE.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date first written above.

The Company : HMS CREDIT SERVICES COMPANY

By:

\_\_\_\_\_  
Michael Fleckenstein, President

Independent Representative:

\_\_\_\_\_  
—  
\_\_\_\_\_  
—

## **EXHIBIT "A"**

### **THE SERVICES**

#### **Promotion Services.**

Independent Representative shall:

1. Use best efforts to promote the availability of HMS Credit Services as a source of the Products to the following market: employers, landlords and property managers financial services, and non-profit and governmental employers.
2. Furnish HMS Credit Services, upon request, with names and addresses, references and other information which is in Independent Representative's possession regarding current and potential customers.
3. Furnish HMS Credit Services with copies of all marketing information and promotional material developed and used by Independent Representative to promote any Products.
4. Provide service to customers purchasing any Products.
5. Conduct its business in a manner consistent with the best interests of HMS Credit Services.

#### **Reselling/Distribution Services.**

1. HMS Credit Services hereby grants to Independent Representative the non-exclusive right and license to resell the Products in connection with Independent Representative's performance of the Services required hereunder, subject to the terms and conditions hereinafter set forth. Independent Representative may not assign or sublicense its rights granted herein without the prior written consent of HMS Credit Services.
2. Independent Representative may resell the Products directly to landlords, property managers, business owners, and non-profit and governmental agencies and will actively, explain, monitor and comply with all applicable legal and contractual requirements, including monitoring its customers' eligibility to obtain and use any of the Products and entering into agreements with its customers as required by any repository of the Products.
3. Independent Representative shall assist HMS Credit Services in setting market pricing for Products it resells within the Independent Representatives general geographic market area.

## ADDENDUM 1

### **FAIR CREDIT REPORTING ACT (“FCRA”) COMPLIANCE REQUIREMENTS**

Although the FCRA primarily regulates the operations of consumer credit reporting agencies, it also affects users of information. A copy of the FCRA has been provided. Independent Representative should become familiar with the following sections in particular:

|       |  |
|-------|--|
| § 604 | Permissible Purposes of Reports  |
| § 607 | Compliance Procedures  |
| § 615 | Requirement on users of consumer reports                                     |
| § 616 | Civil liability for willful noncompliance                                    |
| § 617 | Civil liability for negligent noncompliance                                  |
| § 619 | Obtaining information under false pretenses                                  |
| § 621 | Administrative Enforcement   |
| § 623 | Responsibilities of Furnishers of Information to Consumer Reporting Agencies |

Each of these sections is of direct consequence to users who obtain reports on consumers.

As required by FRCA, credit reports may be issued only if to be used for extending credit, review or collection of an account, employment purposes, underwriting insurance or in connection with some other legitimate business transaction such as in investment, partnership, etc. It is imperative that Independent Representative identifies each request for a report to be used for a permitted purpose when such report is ordered.

In addition to the Federal Fair Credit Reporting Act, other federal and state laws addressing such topics as computer crime and unauthorized access to protected databases have also been enacted. As a prospective user of consumer reports, Independent Representative and its staff shall comply with all applicable federal statutes and the statutes and regulations of the states in which it operates.

---

Initials

## **ADDENDUM 2**

### **END USER VERIFICATIONS AND INVESTIGATION REQUIREMENTS**

Each potential End User to whom information is provided must be investigated to ensure that it, (1) identifies type of business location; (2) will be accessing information for purposes allowed by the Federal Fair Credit Reporting Act (“FRCA”) and HMS Credit Services’ repository’s policy; (3) is an acceptable business type and is not a business which HMS Credit Services’ repository does business with or on the Customer Alert notifications; (4) is accessing information for permissible purposes only; (5) is a bona fide business entity; (6) has knowledge of the FCRA; and (7) provides access security. Please ensure that all investigation requirements are complete *prior* to allowing information access. If any of these requirements are not met, do not proceed with the membership process.

Each of the following tasks must be documented and made available to HMS Credit Services and/or our repository upon request for auditing purpose:

1. General Investigation Requirements.

1.1 Verify that the company is not an authorized End User.

1.2 Maintain a completed and signed membership application and service agreement, which may be combined or separate documents, but must provide for the End User to:

- Describe the specific purpose(s) for which the credit information will be used;
- Describe its type of business;
- Acknowledge the End User responsibilities under FCRA;
- Acknowledge the End User responsibilities for access security;
- Certify that the client is the End User and will not further sell the information.

1.3 Verify the End User’s business location type, commercial or residential.

1.4 Verify and document the company telephone listing with a competent third party authority, including the method of verification, name of verifying entity, date verified, and initials of person conducting the verification. This may be fulfilled by a current copy of the yellow pages advertisement.

1.5 Verify that the End User is a bona fide business entity, conducting business as disclosed on application and is properly licensed for the kind of business indicated on the

customer's application/agreement and meets state and local law requirements. The following are acceptable End User documents:

a. *If the state(s) in which the End User operates and/or resides requires a specific industry license (i.e. mortgage license);*

- Business license status from appropriate issuing authority attained through a government web site (please include entire web page print out); or
- Business license, copy of documented verification with appropriate issuing authority; or

b. *If the state in which the End User operates and/or resides does not require a specific industry license (this exclusion requires an alternate method providing bona fide business from this section is utilized);*

- Business license status from a government web site (please include entire web page print out); or
- Business license, copy or documented verification\*; or
- Business Credit Report that verifies the company is in business; or
- Documented corporation verification\* with state or federal government; or
- Copy of Articles of Incorporation with proof of filing; or
- State and/or federal tax records originating from the state or federal government; or
- Approved Association Membership listing

1.6 When warranted, perform a thorough check of the business premises by conducting a physical inspection of the End User's business space to validate the requirements. Listed are methods to complete this requirement:

- Conduct a personal inspection of the business premises using an approved inspection form; or
- Contract with an approved vendor to perform the physical inspection, using an approved inspection form

## 2. End User Operating from a Residence.

When an End User is operating from a residence, a more in-depth investigation is required due to the greater security risk from casual disclosure or access, and the mobility of the business. More stringent documentation is required with these End Users. In addition to the requirements 1.1 through 1.6, the following items are required to further document the End User:

2.1 Corporation verification with state or federal government, where applicable.

2.2 Sole proprietorship/partnership verification of business license from county or state government, where applicable.

2.3 Verification of business or vendor references.

2.4 Verification that business has a separate business phone line, listed in the name of the business.

### 3. Publicly Traded Companies.

3.1 If an End User is a publicly traded company, the following items are acceptable methods for verifying that the End User is a bona fide business entity:

- Certified copy of audited annual or quarterly statements submitted to the Securities Exchange Commission; or
- Documentation of ticker symbol information from trading website.

### 4. National/Regional Companies.

4.1 National/Regional companies are large companies that are non-publicly traded but are well known nationally or regionally. Examples of national/regional companies are banks, mortgage companies or insurance companies. The state or federal government usually regulates these types of companies. Evidence of the type of banking charter such as documents showing membership with the FDIC, verification through the Accurant, American Financial Directory, Dun and Bradstreet, Hoovers, A.M. Best Insurance rating or state insurance department is the type of documentation which must be included in the file to establish that these companies are legitimate businesses. Requirements numbered 1.5 through 1.6 above are waived for these companies as long as documentation is in file establishing the company as a national/regional entity. A master agreement may be put into place with additional affiliate, branch or department memberships opened as long as the affiliation is adequately documented.

4.2 Affiliate Branch Offices and Departments. An affiliate is generally a company whose name differs from the corporate company name, is generally located in a separate physical location and generally has a different function or permissible purpose. A branch is generally defined as a separate physical location of the same controlling entity. A department is generally in the same physical location, but has a different function or permissible purpose. Once a corporate or main office file has already been established as a reseller client, the following membership information must be documented in each file for affiliates, branches or departments:

- Location type, including address and phone number
- Corporate authentication of request
- Permissible Purpose
- Business Type
- FCRA Requirements Acknowledgement

5. Tenant Screening.

5.1 If End User is an INDIVIDUAL LANDLORD, APARTMENT MANAGEMENT COMPANY OR APARTMENT COMPLEX: Maintain a completed and signed membership application and service agreement. These may be combined or separate documents but must allow the End User to:

- Describe the specific purpose for which the credit information will be used
- Describe their type of business
- Acknowledge End User responsibilities under FCRA
- Acknowledge End-User responsibilities for Access Security
- Certify that the client is the End-User and will not further sell the information

5.2 If End User is an APARTMENT MANAGEMENT COMPANY or APARTMENT COMPLEX, verify bona fide rental business: Obtain one of the following:

- Minimum of 3 completed (signed) rental application (existing tenants or new applicants is acceptable); or
- Document filings in Landlord/Tenant Court with proof of filing; or
- Verify membership in local/regional/national Apartment Association

**AND**

In **addition** to one of the items listed above, one of the following items must also be obtained:

- Approved business credit report that verifies the company is in business;  
or

- Business license status from a government web site. (please include entire web page print out); or
- Business license, copy or documented verification;\* or
- Business Credit Report that verifies the company is in business; or
- Documented corporation verification\* with state or federal government; or
- Copy of Articles of Incorporation with proof of filing; or
- State and/or federal tax records originating from the state or federal government; or
- Approved Association Membership listing
- Conduct a personal inspection of the business premises using an approved inspection form; or
- contract with an approved vendor to perform the physical inspection, using an approved inspection form

5.3 Verify and document the company telephone listing with a competent third party authority, including the method of verification, name of verifying entity, date verified, and initials of persons conducting the verification. This may be fulfilled by a current copy of the yellow pages advertisement.

5.4 **If End User is an APARTMENT MANAGEMENT COMPANY:** Maintain a signed list of all apartment complexes under the apartment management company.

5.5 **If End User is an INDIVIDUAL LANDLORD:** obtain proof of property ownership for each rental property:

- Copy of filed property title; or
- Copy of filed property tax records; or
- Public records search; or
- Property insurance documents from the county/city/state; or

5.6 Obtain a copy of a completed (signed) rental application or agreement for each rental property.

5.7 Verify prospective End User's (property owner's) identification and document a copy prior to allowing access:

- Compare photo ID with applicant (verification must be documented); or
- Obtain and document a verified banking reference\*

5.8 **If End User is an INDIVIDUAL LANDLORD OPERATING UNDER A BUSINESS NAME** in addition to items 1, 2, and 5.1 through 5.3 above, the following items are required to further document the End User:

- Approved business credit report that verifies the company is in business; or
- Business license status from a government web site (please include entire web page print out); or
- Business license, copy or documented verification;\* or
- State and/or federal tax records originating from the state or federal government; or
- Fictitious Business Name filing with proof of filing

5.9 **If End User is an INDIVIDUAL LANDLORD ACCESSING CREDIT REPORTS OUT OF A RESIDENCE NAME** in addition to items 1, 2 and 5.1 through 5.3 above, the following items are required to further document the End User.

- Physical inspection specifically designed to address physical separation from living quarters and security measures restricting access for business needs only
- Each End User must be identified as operating from a residence and notify HMS Credit Services for tracking and monitoring

5.10 **If End User is an INDEPENDENT REAL ESTATE AGENT CONTRACTED WITH A REAL ESTATE FIRM FOR TENANT SCREENING PURPOSES** in addition to items 1 through 4 above, the following items are required to further document the End User:

- Real Estate Broker's license status from government web site (please include entire web page print out); or
- Real Estate Broker's license, copy or documented verification with issuing authority;

**AND**

- Documented verification/confirmation of the business relationship from the real estate firm

\*These are the requirements for all on-line subscribers prior to issuance of database access.

\*On-line subscribers will be responsible for maintaining applicant consent/authorization forms from whom they screen for permissible purposes only. Please see an attached list of FCRA requirements. These requirements are available on-line at [www.ftc.gov](http://www.ftc.gov).

\*Access Security Requirements, Suggested Verification Watchlists, Commercial/Residential/Checklists and other tools available to assist the Independent Representatives perform an End User Physical Inspection. To order these forms please contact:

HMS Credit Services  
935 John Street  
Kalamazoo, MI 49001  
Phone: (269) 385-8203  
Facsimile: (269) 385-2089

\*Document verifications must include:

Name of institution  
Name of person interviewed  
Phone number of institution  
Verification of Business Name  
Name of person who conducted the verification  
Date verified

---

Initials



# HMS Credit Services™

A Division of Home Marketing Systems, Inc.

A Special Services Real Estate Company

## ADDENDUM 3

### HMS CREDIT SERVICES

935 John St. Kalamazoo, MI 49001  
(269)342-1488 / (269)381- 2812 – Fax: (269)385-2089

### INSTRUCTIONS AND REQUIREMENTS FOR SUBMITTING AN APPLICATION:

- APPLICATIONS MUST BE COMPLETE IN THEIR ENTIRETY AND CANNOT BE PROCESSED IF ANY OF THE INFORMATION LISTED BELOW IS LEFT BLANK.

|  |                                     |
|--|-------------------------------------|
| Name: _____                                    | Birth Date: ____ / ____ / ____      |
| Street Address: _____                          |                                     |
| City: _____                                    | State: _____ Zip Code: _____        |
| Social Security Number : _____ - _____ - _____ | Phone Number : (____) _____ - _____ |

IN ACCORDANCE WITH THE **FEDERAL FAIR CREDIT REPORTING ACT**, (PUBLIC LAW 91-508), AS AMENDED BY THE **CONSUMER CREDIT REFORM ACT OF 1996** (TITLE II, SUBTITLE D, CHAPTER I OF PUBLIC LAW 104-208), PERMITS THE PROCUREMENT OF CONSUMER REPORT FOR EMPLOYMENT PURPOSES OR FOR QUALIFYING YOU FOR HOUSING. THE ACT PROVIDES THAT A CLEAR AND CONSPICUOUS DISCLOSURE SHALL BE MADE IN WRITING TO THE APPLICANT BEFORE THE REPORT IS PROCURED, THAT A CONSUMER REPORT MAY BE OBTAINED FOR THE PURPOSES OF QUALIFYING YOU FOR HOUSING OR EMPLOYMENT AND THE APPLICANT SHALL AUTHORIZE THE PROCUREMENT OF THE REPORT IN WRITING. THE INFORMATION FROM THE REPORT WILL NOT BE USED IN VIOLATION OF ANY APPLICABLE FEDERAL OR STATE EQUAL EMPLOYMENT OR FAIR HOUSING LAW OR REGULATION. I ACKNOWLEDGE THE RECEIPT OF THE ABOVE DISCLOSURE AND PRE-ADVERSE ACTION NOTICE AND AUTHORIZE THE HMS CREDIT IN COOPERATION WITH MIRCOBILT AND TRANSUNION TO OBTAIN A CONSUMER REPORT ON ME FOR EMPLOYMENT PURPOSES OR FOR THE PURPOSE OF QUALIFYING ME FOR HOUSING. THE **FEDERAL EQUAL CREDIT OPPORTUNITY ACT** PROHIBITS CREDITORS FROM DISCRIMINATING AGAINST CREDIT APPLICANTS ON THE BASIS OF RACE, COLOR, RELIGION, NATIONAL ORIGIN, SEX, MARITAL STATUS, AGE; BECAUSE ALL OR PART OF THE APPLICANT'S INCOME DERIVES FROM ANY PUBLIC ASSISTANCE PROGRAM; OR BECAUSE THE APPLICANT HAS IN GOOD FAITH EXERCISED ANY RIGHT UNDER THE **CONSUMER CREDIT PROTECTION ACT**.

#### LIMITATION OF LIABILITY:

UNDER NO CIRCUMSTANCES AT ANTIME SHALL HMS COMPANIES INC. BE LIABLE FOR ANY DECISIONS OR DAMAGES THAT MAYBE OR HAVE BEEN SUFFERED BY ANY USER OR CLIENT INCLUDING, BUT NOT LIMITED TO ANY INCIDENTAL, SPECIAL, EXEMPLARY OR CONSEQUENTIAL DAMAGES INCLUDING, WITHOUT LIMITATION, ANY LOST PROFITS OR DAMAGES FOR BUSINESS INTERRUPTION, LOSS OF INFORMATION, PROGRAMS OR OTHER DATA: THAT RESULT FROM ACCESS TO, USE OF, OR INABILITY TO USE ANY PRODUCT OF SERVICE OF HMS COMPANIES INC. OR DUE TO ANY BREACH OF SECURITY ASSOCIATED WITH THE TRANSMISSION OF INFORMATION THROUGH EMPLOYERSCHOICEONLINE.COM OR THE INTERNET, EVEN IF HMS COMPANIES INC. WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

Signature: \_\_\_\_\_ Printed Name: \_\_\_\_\_ Date: \_\_\_\_ / \_\_\_\_ / \_\_\_\_

### APPLICANTS:

**AS REQUIRED BY THE FAIR CREDIT REPORTING ACT, APPLICANTS MUST PROVIDED WITH A COPY OF AN ADVERSE ACTION NOTICE, WHICH OUTLINES THEIR RIGHTS TO A COPY OF THEIR CREDIT REPORT FREE OF CHARGE IN THE CASE OF DENIAL.**

CUT HERE → -----

**Adverse Action Notice:** In the case that your application is denied in compliance with *Section 615* of the **Fair Credit Reporting Act**, you have the right to request a free copy of the consumer report within sixty days and the right to dispute the accuracy or completeness of any information in the consumer report. To obtain a free copy of the consumer report please contact any of the credit reporting agencies listed below. Criminal and Civil records are obtained by local county records or National criminal database based in whole or in part on information provided by the consumer credit reporting agency. You are entitled to have your questions answered, dispute any information on your credit report, and receive a free copy of your credit report within sixty days on adverse action. You may dispute the matter directly with the credit reporting agency by writing or calling the agency. This notice can be given verbally or written, over the phone or in person. The below referenced agencies did not make the adverse decision and is (are) not able to explain why the decision was made.

Experian – [www.experian.com](http://www.experian.com)

NCAC, P.O. Box 9556, Allen, TX 75013  
1-888-211-0728

Equifax – [www.equifax.com](http://www.equifax.com)

P.O. Box 740256, Atlanta, GA 30374  
1-888-202-4025

TransUnion - [www.transunion.com](http://www.transunion.com)

2 Baldwin Place P.O. Box 1000,  
Chester, PA 19022  
1-800-888-4213

Please send your:

- Signed Independent Representative Agreement (pg 9 and 18)
- Signed Authorization Form Addendum 3 (pg 19)
- \$75 check

Send documents to HMS Credit Services:

HMS Credit Services  
935 John St,  
Kalamazoo, MI 49001  
Phone: (269) 385-8203