



Mortgage Banker Compensation Agreement and Anti-Steering Disclosure

This Mortgage Banker Compensation Agreement and Anti Steering Disclosure (“Agreement”) is by and between _____, a mortgage Banker (“we,” “us,” “our”) and the Borrower(s) who sign(s) below (“you,” “your”). This Agreement discloses and governs the overall Compensation that will be paid to your mortgage Banker for the origination of your loan.

1. OUR SERVICES: A mortgage Banker is compensated to arrange a loan from a mortgage lender who will fund the loan. As your mortgage Banker, we will assist you in obtaining a loan, but we do not offer the products of all mortgage lenders, and so we cannot guarantee you the lowest price or best loan terms available. Be sure that you understand and are satisfied with the mortgage loan product and terms we arrange for you. By signing below, you request us to arrange a mortgage loan from a mortgage lender and you agree to the compensation listed below for our services.

2. YOUR MORTGAGE LOAN: You are currently applying for a mortgage loan in the amount of \$ _____. Banker Compensation may increase if the loan amount increases, or decrease if the loan amount decreases. The Compensation in this Agreement is for Banker services only and does not include other closing costs or credits from us or other parties for non-Banker related services.

3. BANKER COMPENSATION: Depending on the loan program you select and subject to applicable legal requirements, our Compensation may be paid by you directly or indirectly.

(BPC, Borrower Paid Compensation) If our Compensation is paid directly, you will pay our fees from your own funds at the loan closing or from loan proceeds from the equity in your home that is being refinanced. Paying our fees directly versus indirectly may result in a lower interest rate. Any increase in interest rate (Premium Pricing) can be used to reduce Third Party Closing Costs and cannot be used to cover our compensation. Conversely, any reduction in interest rate will include discount points to be paid directly to the lender. On purchase transactions, seller concessions can be used to cover the banker compensation and or Third Party Closing Costs.

(LPC, Lender Paid Compensation): You may pay our Compensation Indirectly by electing to pay the mortgage lender a higher interest rate. When you elect to pay a higher interest rate, the mortgage lender will compensate the banker. The banker will not be compensated in any other manner from borrower funds, seller concessions, premium pricing, or any other party on this transaction. Premium pricing can be used to provide you with a credit to reduce your settlement charges; however, it cannot be used to cover the banker compensation.

In addition to our compensation, estimates of other fees you will pay in connection with your loan will be shown on your Good Faith Estimate. Once your interest rate is locked and your loan amount and terms are finalized, we will be able to tell you the exact amount of all fees.

NOTE: You may not be charged any fee, other than a reasonable credit report fee (if applicable), prior to (i) receiving your Good Faith Estimate from us, (ii) expressing your intent to proceed with the loan transaction and (iii) receiving the initial TIL (Truth in Lending Disclosures) from the mortgage lender. In addition, your banker cannot receive any additional compensation through an affiliated business relationship.

Please choose ONE of the following methods of Banker Compensation Below:

_____ **BPC, Borrower Paid Compensation:** All fees that are paid by you directly to the banker for arranging your loan with a mortgage lender. This amount is included in the “Our origination charge” of Block 1 of your Good Faith Estimate. The “Our origination charge” amount represents the total sum of all origination charges and fees for your loan from the mortgage Banker, mortgage lender and other third parties, as applicable. This will be the only compensation to the banker on this transaction.

Amount

(Must be completed)

OR

_____ **LPC, Lender Paid Compensation:** All Compensation that is paid by the Lender to the banker. This will be the only compensation to the banker on this transaction.

(Must be completed)

Anti-Steering Disclosure

Regulation Z and The Federal Reserve rule prohibits loan originators from “steering” a consumer to a particular loan that is not in the borrower’s best interest. By signing below you acknowledge that you have been presented with options in which you have expressed an interest. For each product that you have expressed an interest, you have been provided options that include:

- 1. The product with the lowest interest rate.
- 2. The product with the lowest dollar amount of points and origination fees.
- 3. The lowest rate without risky features, such as prepayment penalty, negative amortization, or balloon payment in the first seven years.

****IF YOU HAVE CHOSEN AN OPTION OTHER THAN 1, 2, OR 3 ABOVE. PLEASE EXPLAIN THE REASON(S) BELOW:

By signing below, you also acknowledge that:

- (i) You have received an initial Good Faith Estimate within three (3) business days of the mortgage loan application date and you intend to proceed with the loan transaction.
- (ii) The Agreement has been explained to you and you understand it.
- (iii) You have not been charged any fees, other than a reasonable credit fee (if applicable), prior to entering into this Agreement
- (iv) You voluntarily enter into this Agreement and agree to the fees above.
- (v) The fees above are based on current market rates and your current loan request.

<u>PRINTED NAME</u>	<u>SIGNATURE</u>	<u>DATE</u>
BORROWER: _____	X _____	_____
Co-Borrower: _____	X _____	_____
Banker Name: _____	X _____	_____