

MORTGAGE LOAN ORIGINATION/BROKER FEE AGREEMENT

Prospective Borrower(s): Read this disclosure carefully and do not sign it until you have done so.

You, the applicant(s), agree to enter into this Mortgage Loan Origination/Broker Fee Agreement with _____ (Broker) as an independent contractor to apply for a residential mortgage loan from a participating lender with whom we from time to time contract upon such terms and conditions as you may request or a lender may require. You inquired into mortgage financing with _____ (Broker) on _____ (Date). We are licensed, unless otherwise exempt or preempted, as a Mortgage Broker under the applicable state law(s).

SECTION 1: NATURE OF RELATIONSHIP. In connection with this mortgage loan:

- We are acting as an independent contractor and not as your agent.
- In addition to taking your application, we will provide at least five of the services listed on Exhibit A.
- We may enter into separate independent contractor agreements with various lenders.
- While we seek to assist you in meeting *your* financial needs, we do not distribute the products of all lenders or investors in the market and cannot guarantee the lowest price or best terms available in the market.

SECTION 2: OTHER TERMS.

- You understand that this Agreement is not a commitment to extend credit.
- You agree that a lender who provides you with a mortgage loan may rely on this Agreement and your selection method of compensating us, but the Lender will receive none of the compensation discussed herein.
- You acknowledge receipt of a copy of this signed Agreement and Exhibit A.
- You may wish to consult with legal counsel before signing the Agreement.

SECTION 3: OUR COMPENSATION. The lenders whose loan products we distribute generally provide their loan products to us at a wholesale rate.

- The retail price we offer you, your interest rate, total points and fees will include our compensation.
- In some cases, we may be paid all of our compensation by either you or the lender.
- Alternatively, we may be paid a portion of our compensation by both you and the lender. For example in some cases, if you would rather pay a lower interest rate, you may pay higher up-front points and fees.
- Also, in some cases, if you would rather pay less up front, you may be able to pay some or all of our compensation indirectly through a higher interest rate, in which case we will be paid directly by the lender through a yield spread premium "YSP".

- **Our total compensation for assisting you in obtaining a loan will not exceed:** (Total compensation includes all amounts paid by you and the lender to whom your loan is delivered.)

- **Broker Fees that you may pay directly** **Fee Amount**

Total broker fees paid directly by you will not exceed \$
(This total may include such fees as Application, Origination, Processing, etc.)

- **Broker Compensation/Fees that may be paid by Lender**

Yield Spread Premium not to exceed ____% of loan amount \$
 Other \$

- **The loan amount shall not exceed \$_____** If your actual loan amount is different, the maximum fee amount listed above will change accordingly. If your loan amount decreases, the maximum fee will decrease. If the loan amount increases, the maximum fee will increase, yet never exceeding the total compensation we will receive from both you and the lender which is stated above.

The actual amount of our compensation will be disclosed on your HUD-1 or HUD-1A Settlement statement

We also may be paid by the lender based on (i) the value of the mortgage loan or related servicing rights in the marketplace or (ii) other services, goods or facilities performed or provided by us to the lender.

I/we have read this Agreement and understand its contents, as evidenced by my/our signature(s) below.

Mortgage Loan Applicant(s)

Property Address: _____

Signature: _____

Signature: _____

Name (Print): _____

Name (Print): _____

Date: _____

Date: _____

Broker

Brokerage Firm Name _____

Signature: _____

Name (Print): _____

Date: _____

Exhibit A

BROKER SERVICES REQUIRED TO BE RENDERED

Broker acknowledges and agrees that loan applicant shall be required to pay compensation to Broker only for broker and loan processing services and, if applicable, underwriting analyses and services in each use actually performed in connection with a loan. Broker shall have taken and supervised completion of the loan application by the loan applicant, and shall have diligently and completely performed at least five of the following fourteen activities on behalf of each loan applicant (and may have, in addition, performed underwriting services):

1. analyzing the loan applicant's income and debt and pre-qualifying the loan applicant to determine the maximum loan that the loan applicant can afford to repay;
2. educating the loan applicant in the home buying and financing process, advising the loan applicant about the different types of loan products available and demonstrating how closing costs and monthly payments would vary under each product;
3. collecting financial information (tax returns, bank statements) and other related documents that are part of the application process;
4. initiating/ordering VOEs (verifications of employment) and VODs (verification of deposits);
5. initiating/ordering requests for mortgage and other loan verifications;
6. initiating/ordering appraisals;
7. initiating/ordering inspections or engineering reports;
8. providing disclosures (truth-in-lending, good faith estimate, others) to the loan applicant;
9. assisting the loan applicant in understanding and clearing credit problems;
10. maintaining regular contact with the loan applicant, realtors, and Lender, between application and closing to apprise them of the status of the application. And to gather any additional information, as needed;
11. ordering legal documents;
12. determining whether the property is located in a special flood hazard area or ordering such service;
13. providing underwriting analyses and services;
14. participating in the loan closing.