

LOAN BROKERAGE AGREEMENT

Licensee:

Applicant(s):

Property Address:

UPON REQUEST, A COPY OF THIS LOAN BROKERAGE AGREEMENT SHALL BE MADE AVAILABLE TO THE APPLICANT OR THE APPLICANT'S ATTORNEY FOR REVIEW PRIOR TO SIGNING.

This Loan Brokerage Agreement ("Disclosure") sets forth, among other things, a general description of some of the services that the above-named Licensee ("we," "us" or "our") may or will provide in connection with your residential mortgage loan application and our compensation for such services.

Description of the Nature of Our Relationship and the Services We Will Provide or Perform:

We are authorized and prepared to assist you in securing a mortgage loan commitment. **We are acting as an independent contractor and not as your agent or fiduciary.** We will enter into separate independent contractor agreements with various lenders. You understand that our services are advisory and administrative in nature. **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; we cannot guarantee the lowest price or best terms available in the market and we cannot guarantee acceptance into any particular loan program or promise any specific loan terms or conditions.** Our services may include, but are not limited to, the following:

- Taking information from you and filling out a loan application;
- Analyzing your income and debt and pre-qualifying you to determine the maximum mortgage that you can afford;
- Educating you in the home buying and financing process, advising you about the different types of loan products available, and demonstrating how closing costs and monthly payments could vary under each product;
- Collecting financial information (such as tax returns, bank statements and the like) and other related documents that are part of the application process;
- Initiating and/or ordering: verifications of employment (VOEs); verifications of deposit (VODs); requests for mortgage and other loan verifications; appraisals; and inspections or engineering reports;
- Providing required federal and state disclosures and notices to you;
- Assisting you in understanding and clearing credit problems;
- Maintaining regular contact with you and others involved in the application process (such as realtors and the lender) between application and closing to apprise them of the status of the application and gather any additional information as needed;
- Ordering legal documents;
- Determining whether the property is located in a flood zone or ordering such service; and
- Participating in the loan closing.

We will continue to provide these services until your loan is closed, your loan request is denied or you terminate our services for any reason, whichever occurs earlier.

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 will receive all of our compensation from you, to be paid in cash or from the loan proceeds at the time of settlement. In other cases, we will receive all of our compensation from the lender. You may be able to obtain a lower interest rate by paying higher points and fees. (A "point" is 1% of the loan amount.) Alternatively, you may be able to finance the payment of our compensation or other costs that you would otherwise be required to pay directly by paying a higher interest rate.

Having discussed the specific effects these alternatives may have on your interest rate, points, fees and other loan terms, and the various payment options that are available to you, you agree our compensation will be paid as follows:

- (1) **Borrower Compensation:** As compensation for our services under this Agreement, you agree to pay us a mortgage brokerage fee in the amount of _____ % of the loan amount or \$ _____. You may pay the mortgage brokerage fee either with funds you bring to the loan closing or from the loan proceeds at the time of settlement. You will be obligated to pay us only if your loan closes.
- (2) **Lender Compensation:** The compensation we will receive from the lender will be \$ _____. Compensation received from the lender may not be based on the terms or conditions of your loan, such as your interest rate or loan program. Compensation will be calculated according to the terms of our agreement with the lender, which may provide for payment based on a percentage of your loan amount, the quality of the loans we have submitted to the lender in the past, or other factors that are permitted by applicable law. While our compensation may not be based on the terms of your loan, the interest rate on your loan may be higher than would be the case if you paid our compensation directly. At any time prior to closing, please feel free to ask us about other loan options that may be available to you.

Other Fees and Charges; Other Significant Information:

- In addition to our compensation, you may be obligated to pay other fees and charges in connection with your loan application that are not disclosed in this agreement. Estimates of those other fees and charges are reflected on the Good Faith Estimate of settlement charges and are generally refundable prior to settlement only if the goods or services to which the costs relate have not been ordered, unless otherwise required by applicable law.
- While we will make a good faith effort to process your loan application as expeditiously as possible, certain types of situations that are unknown to us at the time your application is taken could affect the processing of your loan application and the fees and charges you may be obligated to pay, including, but not limited to, the following:
 1. an appraisal value of the property that is different from the value as estimated by you;
 2. credit obligations that you fail to report;
 3. a change in your financial circumstances that would result in your ineligibility for the loan; and
 4. a material change or discontinuation of a loan program by an investor or other entity, such as the U.S. Department of Housing and Urban Development, the Veterans' Administration or a private investor.
- If we make false or misleading statements or omissions in this Agreement, you may, upon written notice to us: (a) void this Agreement; (b) recover any monies you have paid to us for which no services rendered have been performed; and (c) recover actual costs, including attorney's fees, for enforcing your rights under this Agreement.

