

Loan Originator Compensation Policy

The Truth in Lending Act, Regulation Z 226.36 amendments effective April 1, 2011 provide certain restrictions on loan originator compensation and prohibit certain activities of loan originators. The term “loan originator” means a person who for compensation or other monetary gain, arranges, negotiates, or otherwise obtains an extension of consumer credit for another person. As a broker company, this would include compensation paid to my company defined as a “loan originator” as well as compensation paid to individual loan originators under my employment.

Loan Originator Compensation Restrictions and Prohibitions

In connection with a consumer credit transaction secured by a dwelling:

- ❑ No loan originator shall receive and no person shall pay to a loan originator, directly or indirectly, compensation in an amount that is based on any of the transaction’s terms or conditions. The amount of credit extended is not deemed to be a transaction term or condition, provided compensation received by or paid to a loan originator, directly or indirectly, is based on a fixed percentage of the amount of credit extended.
- ❑ If the loan originator receives compensation directly from a consumer, no loan originator shall receive compensation, directly or indirectly, from any person other than the consumer in connection with the transaction.
- ❑ A loan originator shall not direct or “steer” a consumer to consummate a transaction based on the fact that the originator will receive greater compensation from the creditor in that transaction than in other transactions the originator offered or could have offered to the consumer, unless the consummated transaction is in the consumer’s interest.

Our Compensation

_____ and its individual loan originators will not receive any compensation based on interest rate or loan terms and conditions. If compensation is received from the consumer, no other compensation will be received from any person other than the consumer. And, the consumer will not be directed or steered to a creditor solely on the fact that originator compensation would be greater in that transaction than in other transactions the originator offered or could have offered to the consumer, unless the consummated transaction is in the consumer’s interest. Borrowers will be provided a disclosure with loan options in accordance with the regulations to evidence the borrower was not directed or steered to a specific loan transaction.

x _____
(signature of authorized representative)

x _____
(date signed)

x _____
(printed name of authorized representative)