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 about mortgage financing with (Broker) on (Date). We are licensed, unless otherwise exempt or preempted, as a Mortgage Broker under the applicable state law(s).

Under the Board of Governors of the Federal Reserve System’s Regulation Z to the Truth in Lending Act (TILA), You (“Borrower”) must choose whether Borrower or the Lender will pay 100% of the Mortgage Loan Originator’s Compensation (“Broker Compensation”). Borrower’s mortgage application has been submitted to US Bank Home Mortgage (“Lender”) by . Broker is an independent contractor and is not an affiliate of the Lender. Broker will provide to Borrower at least five of the services listed in Exhibit A of this Agreement.

SECTION 1: Borrower’s Compensation Election

Borrower(s) must select only one of the options below by checking box for the corresponding option:

☐ Option A – Borrower Paid:

By electing Option A, Borrower(s) acknowledge and agree that (i) only Borrower(s) will be paying Broker Compensation; (ii) no additional Broker compensation associated with this loan has been paid or will be paid to Broker by any other party (including Lender); (iii) Borrower(s) will not pay Broker Compensation with any portion of any Lender credit for the interest rate chosen, if applicable, for this loan; and (iv) the Broker Compensation amount Borrower(s) negotiates and agrees to with Broker was not in any way determined on the basis of the interest rate Borrowers chose for this loan; and (v) with this option, you may receive a lower interest rate, which will likely result in higher up-front points and fees.

The following fee represents the Broker’s total compensation for assisting you in obtaining a loan:

Broker Fee

Loan Origination Fee: % of the loan amount. The Loan Origination Fee paid directly by you will be . This Loan Origination Fee may be inclusive of other fees such as Application, Origination, Processing, Broker Administration, etc.

☐ Option B – Lender Paid:

By electing Option B, Borrower(s) acknowledge and agree that (i) only Lender will pay Broker Compensation; (ii) no additional Broker compensation associated with this loan has been paid or will be paid to Broker by any other party (including Lender); (iii) Broker has not and will not charge Borrower any other fee payable to Broker in connection with the Broker Services provided to Borrower; and (iv) the sole source of Broker Compensation will be the lender, and such amount will be paid by Lender directly to Broker, subject to Lender’s contractual agreement(s) with Broker; and (v) with this option, you may receive a higher interest rate, which will likely result in paying less up-front fees.

Lender Paid Broker Compensation under this option shall be % of the loan amount.

All borrowers must indicate their election by signing this form.

Applicant(s) initials ______    _______

The content of this communication is not intended for consumer use or for distribution to any third party. This bulletin is being provided to you as a service and reflects information U.S. Bank Home Mortgage compiled from various sources. This information is not intended to be legal advice and U.S. Bank will not accept any liability for reliance on the content of this bulletin. Please consult with your own legal counsel about how this communication may affect you and your business.

All borrowers must initial the first and last page of the MLOA.
SECTION 2: Broker's Certification of Broker Compensation

Broker hereby certifies that (i) Broker has clearly explained to Borrower(s) the Broker Services it has and will provide to Borrower(s); (ii) Broker will be compensated for Broker Services exclusively and only according to the Broker Compensation method as elected by the Borrower(s) in Section 1 of this Agreement; (iii) Broker has not and will not accept any other form or amount of compensation in connection with Broker Services from any party other than Borrower or Lender; (iv) the amount of Broker Compensation agreed to, whether paid by Borrower or Lender, will be accurately disclosed on the initial Good Faith Estimate and any subsequent Good Faith Estimate provided to Borrower(s); and (v) if Broker compensation is paid by Lender, the amount of Broker compensation as disclosed on the initial Good Faith Estimate will not increase or decrease unless the final Loan Amount has increased or decreased.

SECTION 3: Other Terms

- You understand that this Agreement is not a commitment to extend credit.
- You may not be charged any fee, other than a reasonable credit report fee (if applicable), prior to (i) receiving your Good Faith Estimate and initial Truth In Lending disclosures from the mortgage lender (ii) expressing your intent to proceed with the loan transaction.
- You agree that a Lender who provides you with a mortgage loan may rely on this Agreement and your selection preference for compensating us.
- You understand that the Lender will receive none of the compensation discussed herein.
- You acknowledge receipt of a signed copy of this Agreement and Exhibit A. You may wish to consult with your legal counsel before signing this Agreement.

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: __________________________
Name (Print): __________________________
Date: ______________

Reminder: The complete subject property address must be entered here. Remember, the location of the subject property determines the percentage of the Mortgage Broker compensation to be charged to the borrower(s). Please visit our website for the current state LPC table.

Brokerage Firm Name: __________________________

Signature: __________________________
Name (Print): __________________________
Date: ______________

Reminder: Electronic signatures are NOT allowed.

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Enter the Mortgage Broker Company Name or DBA. The Mortgage Broker Company name or DBA must be the actual Mortgage Loan Originator that corresponds to the Broker generated GFE given to the borrower. Signature must be present, name should be clearly printed and dated.
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 actually performed in connection with a loan. Broker shall have taken and supervised the 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 (e.g. 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.

All borrowers must initial the first and last page of the MLOA.

Applicant(s) initials ______    _______

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