

# LOAN BROKERAGE AGREEMENT

Date: \_\_\_\_\_  
Loan No.: \_\_\_\_\_  
Licensee: \_\_\_\_\_  
Borrower(s): \_\_\_\_\_  
Property Address: \_\_\_\_\_

## YOU OR YOUR ATTORNEY MAY REVIEW A COPY OF THIS LOAN BROKERAGE AGREEMENT PRIOR TO SIGNING IT.

You have engaged the above-named residential mortgage lender licensee ("we," "us" and "our") to advise and assist you in obtaining a mortgage loan, repayment of which will be secured by real property you own, 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. This agreement describes the services we will provide or perform and our compensation for such services, and is the only agreement between you and us with respect to this loan transaction.

## DESCRIPTION OF THE NATURE OF OUR RELATIONSHIP AND THE SERVICES WE WILL PROVIDE

**We are acting as your agent in providing the services described below, and as such, owe you a fiduciary duty of utmost care, honesty, and loyalty in the transaction, including the duty of full disclosure of all material facts.** We may also be authorized to act as an agent for one or more other person(s) in connection with this transaction; if so, the names of all such other person(s) is/are:

**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 VOEs (verifications of employment) and VODs (verifications of deposit);
- Initiating and/or ordering requests for mortgage and other loan verifications;
- Initiating and/or ordering appraisals;
- Initiating and/or ordering 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.

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(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 also be obligated to pay other charges in connection with your loan that are not disclosed in this agreement. Estimates of such other charges are shown on the Good Faith Estimate/LE 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 applicable law requires otherwise.

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 a materially false or misleading statement or omission in the inducement or implementation of this Agreement, you may, in addition to any other legal rights or remedies you may possess, upon written notice to us, do any of the following:**

1. **Rescind this Agreement;**
2. **Recover any fees you have paid to us for brokerage services rendered pursuant to this Agreement; and**
3. **Recover actual costs, including attorney's fees, for enforcing your rights under this Agreement.**

If you have any questions, comments or complaints regarding your application, please contact us via phone or email using our contact information indicated below:

|  |                                |
|--|--------------------------------|
| Mortgage Broker's Address (Street, City, State, Zip) | Mortgage Broker's Phone Number |
|--|--------------------------------|

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|-------------------------------------|------|--------|
| Licensee's Mortgage Loan Originator | Date | NMLS # |
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EACH OF THE UNDERSIGNED APPLICANTS ACKNOWLEDGES THAT HE/SHE HAS RECEIVED AND READ A COPY OF THIS LOAN BROKERAGE AGREEMENT AND UNDERSTANDS ITS CONTENTS.

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| Applicant | Date | Applicant | Date |
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