

FEE INFORMATION FROM YOUR MORTGAGE BROKER

For Your Mortgage Loan ("loan")

Dear Borrower:

This disclosure explains the costs you will pay for services provided by your mortgage broker, and how you will pay those costs.

You are requesting that your mortgage broker invest time in researching, processing, and providing assistance to you in the home loan process. Your mortgage broker will be paid for the time and effort spent on your behalf, and you are agreeing to pay the mortgage broker the fees as described below.

There are four ways that your mortgage broker can be paid. Not all of these payment methods are available on every loan and only you can decide which available option(s) makes the most sense for you.

1. You may choose to pay your mortgage broker with your own money.
2. You may choose to pay your mortgage broker over time by adding the mortgage broker fees to your loan amount. If you choose this option, you will owe more money to the lender and you will pay interest on the mortgage broker fees.
3. You may choose to pay your mortgage broker by paying the lender a higher interest rate. Your lender will then pay your mortgage broker on your behalf in exchange for you paying a higher interest rate on your loan. (This is sometimes called a "Yield Spread Premium.")
4. The lender may pay your mortgage broker a flat fee in an amount that will not vary with your loan's interest rate.

Interest rates move constantly. The way to set a certain interest rate with a lender is for your mortgage broker to "lock" your loan (if your lender allows you the option to lock your loan). Once you lock your loan, you are agreeing to close your loan within a certain period of time and at a certain interest rate. If you instruct your mortgage broker to lock your loan, your mortgage broker can explain to you the interest rate you will pay. If you choose to pay your mortgage broker fees through a higher interest rate (Option 3) and your loan has been locked, your mortgage broker will tell you the amount of the mortgage broker fee that the lender is paying to the mortgage broker. The amount of the mortgage broker fee paid by the lender may vary depending on the loan product and terms, as well as the lender with whom your mortgage broker places your loan. Be sure that you understand and are satisfied with the product and terms that have been offered to you.

This document discloses only the fees charged by your mortgage broker. Other companies may also charge for services related to your loan that are to be paid by you, your mortgage broker, or another party. You should receive a separate disclosure of those costs. Please be sure that you have received that disclosure, and that you understand and are comfortable with the fees disclosed on it. If you pay fees before the loan closes, ask your mortgage broker whether those fees are partially or fully refundable and under what circumstances.

If the terms of your loan materially change, the costs you will pay for services provided by your mortgage broker, and how you will pay those costs, may also change.

FIRST LOAN (check if applicable). The fees you pay your mortgage broker for the first loan will be:

Mortgage Broker Compensation	\$ _____
Processing Fee	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
TOTAL	\$ _____

You will pay these fees using: (check all that apply)

- Option 1** – You choose to pay mortgage broker fees in the amount of \$ _____ at or before your loan closing.
- Option 2** – You choose to add mortgage broker fees in the amount of \$ _____ to your loan balance.
- Option 3** – You choose to pay a higher interest rate and your lender will pay your mortgage broker fees not to exceed \$ _____.
- Option 4** – The lender will pay mortgage broker fees in the amount of \$ _____. The amount paid by the lender does not vary with your loan's interest rate.

Signed:

_____ Broker Loan Officer Name	_____ Broker Loan Officer Signature	_____ Date
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_____ Broker Entity Name	_____ Broker Entity Address & License Number
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_____ Borrower Name	_____ Borrower Signature	_____ Date
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_____ Borrower Name	_____ Borrower Signature	_____ Date
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