BROKER COMP QUICK REFERENCE

BORROWER PAID COMPENSATION

BPC can vary from loan to loan.
BPC cannot be greater than current LPC election.
Seller Concessions can be applied to BPC.
A Processing Fee is allowed – reasonable and customary.
Broker may reduce the compensation if approved by Compliance and there is a benefit to the Borrower.
The premium credit given to the Borrower for the rate selected may not be used to pay BPC but may be used for closing costs.
A loan with BPC may not switch to LPC. A new submission as LPC would be required.

LENDER PAID COMPENSATION

LPC cannot vary from loan to loan and must be paid at the amount selected by the Broker on the LPC Election Form.
LPC election may be changed on a monthly basis. Any changes submitted will be effective on the first of the month following the date the amended election form is submitted. The change will not affect any loans submitted prior to the effective date of the change.
Seller concessions cannot be used to pay LPC.
A Processing Fee is allowed only if a true third-party processing company, verified via NMLS.
Broker cannot reduce the compensation to cure compliance scenarios.
Any Premium credit must be credited toward closing costs – no cash credit allowed.
A loan may switch from LPC to BPC at the same or lower compensation with a valid COC.