

BROKER COMP QUICK REFERENCE

BORROWER PAID COMPENSATION

Points will be disclosed and paid by the Borrower as closing cost disclosed on LE and CD.

BPC can vary from loan to loan.

BPC cannot be greater than current LPC election.

BPC and Fixed Fee combination cannot be greater than LPC.

If BPC is disclosed as a flat fee, it cannot be increased for any reason, even if the loan amount increases.

Seller Concessions can be applied to BPC.

A Processing Fee is allowed and must be reasonable and customary.

Broker can 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.

If initial LE comp is disclosed as a percentage, it needs to stay a percentage through life of loan. Same if disclosed as a flat fee, should stay flat fee through life of loan.

A loan with BPC may not switch to LPC. A new submission as LPC would be required.

Business Purpose Loans Combined Compensation – Allows wholesale broker to charge a BPC and keep all or a portion of the YSP credit.

- YSP capped at 2% (no exceptions).
- 1st Lien: BPC capped at 3%.
- 2nd Lien: BPC capped at 3%.

Closed End Seconds: BPC capped at 5% if not using Combined Compensation

LENDER PAID COMPENSATION

Broker compensation is paid via rate therefore no points will be disclosed on the LE or CD. Discount points due to the lender may be disclosed.

The LPC compensation plan cannot vary from loan to loan.

LPC election may be changed monthly. 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.

A Contract Processing Fee is allowed if a true third-party processing company licensed in the Subject Property State, verified via NMLS.

LPC + In-house processing fee is allowable only on business purpose loans (DSCR).

Broker cannot reduce the compensation to cure compliance scenarios.

Any Premium credit must be credited toward closing costs – no cash credit allowed.

Seller credits cannot be used to compensate the originator. Seller credits can be applied to discount points.

A loan may switch from LPC to BPC at the same or lower compensation with a valid COC.

A fully complete Anti-Steering Disclosure is required for each loan closing under LPC.