



## Loan Originator Compensation Agreement

Broker acknowledges it has developed and implemented compensation plans for its Loan Originators which (1) prohibit payments to its Loan Originators that are based on the loan’s interest rate or other loan terms or conditions, (2) prohibit Broker or its Loan Originators from receiving payments directly from a consumer while also receiving compensation from the creditor or another person, and, (3) prohibit Broker or its Loan Originators from “steering” a consumer to a creditor in order to increase the Broker’s or Loan Originator’s compensation. Broker shall ensure that its policies and procedures regarding Loan Originator Compensation comply with the rule set forth in the TILA, Regulation Z (12 CFR §1026.36(d)-(e)).

### **I. Prohibitions on Steering**

Loan Originators must provide the consumer with loan options from a significant number of the creditors with which the Loan Originator regularly does business. For each type of transaction (i.e. fixed rate or ARM), in which the consumer expressed an interest, the loan options presented must include:

- The loan with the lowest interest rate
- The loan with lowest origination points, origination fees, or discount points
- The loan with the lowest interest rate without certain features, including:
  - o A prepayment penalty
  - o Interest-only payments
  - o Negative amortization
  - o A balloon payment in first seven years

Loan originators must have a good faith belief that the options presented are loans for which the consumer likely qualifies. Loan Originators must obtain options from at least three creditors, unless the Loan Originator regularly does business with fewer than three creditors. If more than three loan options are presented, the Loan Originator must highlight the loan options that satisfy the required criteria noted in the Final Rule (the Loan options bulleted above).

Loan originators will be required to provide an anti-steering certification with each loan package submitted to First Colony Mortgage Corporation dba GHMC or GHMC TPO, for all loans that have Lender Paid Compensation.

### **II. Lender Paid Compensation Selection**

Lender Paid Compensation Selection Range		
0.750	1.500	2.250
0.875	1.625	2.375
1.000	1.750	2.500
1.125	1.875	2.625
1.250	2.000	2.750
1.375	2.125	

Max Compensation (optional)
\$6,000
\$8,000
\$10,000
\$12,000
\$14,000
\$16,000
\$18,000
\$20,000
\$25,000
\$30,000

Broker elects Lender Paid Compensation to be \_\_\_\_\_% \* of the principal amount of such mortgage loan as its sole and complete compensation. Compensation may not be updated any sooner than three month increments. All State Housing Finance Agency programs will be on a strictly borrower paid basis with the exception of MCC programs.

**OPTIONAL: Broker elects maximum Lender Paid Compensation of \$ \_\_\_\_\_**

*\*Please select a compensation amount that best fits your company's business model but also ensures compliance with the points and fees thresholds set forth in TILA QM Rule (§1026.43(e)). We recommend that you closely review all normal and customary fees being charged to the consumer in your market before making your final determination.*

Please note, GHMC will not accept a loan in which the QM points and fees exceed the thresholds described below (subject to annual adjustment by the CFPB; current as of *January 1, 2023*):

<b>Loan Amount</b>	<b>Points and Fees Limit</b>
Equal to or greater than \$124,331	3% of the total loan amount
Equal to or greater than \$74,599 but less than \$124,331	\$3,730
Equal to or greater than \$24,866 but less than \$74,599	5% of the total loan amount
Equal to or greater than \$15,541 but less than \$24,866	\$1,243
Less than \$15,541	8% of the total loan amount

By signing below, I certify that I have read and will be in compliance with all rules as set forth above. This addendum will be incorporated into your current Broker Agreement with First Colony Mortgage Corporation dba GHMC or GHMC TPO.

**Signed for** \_\_\_\_\_

**Signed for First Colony Mortgage Corporation  
dba GHMC or GHMC TPO:**

**By:** \_\_\_\_\_  
*Signature*

**By:** \_\_\_\_\_  
*Signature*

**Name:** \_\_\_\_\_  
*Print or Type Name of Authorized*

**Name:** \_\_\_\_\_  
*Print or Type Name of Authorized*

**Its:** \_\_\_\_\_  
*Title*

**Its:** \_\_\_\_\_  
*Title*

**Dated:** \_\_\_\_\_

**Dated:** \_\_\_\_\_