Mortgage Broker Fee Agreement and Disclosure

This agreement ("Agreement") is by and between _____, a mortgage broker ("we," "us," "our") and the Borrower(s) who sign(s) below ("you," "your"). This agreement discloses and governs the overall fees that will be paid to your mortgage broker for the origination of your loan.

step 1

1. OUR SERVICES: A mortgage broker charges fees to arrange a loan from a mortgage lender who will fund the loan. As your mortgage broker, we will assist you in obtaining a loan, but we do not offer the products of all mortgage lenders, and so we cannot guarantee you the lowest price or best loan terms available. Be sure that you understand and are satisfied with the mortgage loan product and terms we arrange for you. By signing below, you request us to arrange a mortgage loan from a mortgage lender and you agree to the fees listed below for our services.

step 2

2. YOUR MORTGAGE LOAN: You are currently applying for a mortgage loan in the amount of $ _____ . **(Must be completed)** may increase if the loan amount increases, or decrease if the loan amount decreases. The fees in this Agreement are for broker services only and do not include other closing costs or credits from us or other parties for non-broker related services.

3. BROKER FEES: Depending on the loan program you select and subject to applicable legal requirements, our fees may be paid by you directly or indirectly, or a combination of both. For the portion of our fees paid directly, you will pay our fees from your own funds at or prior to the loan closing. For the portion of our fees paid indirectly, you may elect to include our fees in your loan amount and pay us at closing out of your loan proceeds. In addition, you may pay our fees by electing to pay the mortgage lender a higher interest. When you elect to pay a higher interest rate, the mortgage lender will provide you with a credit which will be applied against and reduce your settlement charges, including our fees. Paying our fees directly versus indirectly may result in a lower interest rate. We have discussed these fee payment options with you. In addition to our fees, estimates of other fees you will pay in connection with your loan will be shown on your Good Faith Estimate. Once your interest rate is locked and your loan amount and terms are finalized, we will be able to tell you the exact amount of all fees.

NOTE: You may not be charged any fee, other than a reasonable credit report fee (if applicable), prior to (i) receiving your Good Faith Estimate from us, (ii) expressing your intent to proceed with the loan transaction and (iii) receiving the initial disclosures from the mortgage lender.

	Amount of Fee
MAXIMUM BROKER FEE (1) - All fees that are paid to us for arranging your loan with a mortgage lender. This amount is included in the "Our origination charge" of Block 1 of your Good Faith Estimate. The "Our origination charge" amount represents the total sum of all origination charges and fees for your loan from the mortgage broker, mortgage lender and other third parties, as applicable. *This fee includes fees that may be paid by the property seller on a purchase as negotiated in your purchase contract. (This fee will match ***Block 1 - Our Origination Charge*** of your GFE **less** lender fees and fees collected by the broker that are paid to third-parties (if applicable)).	**$0** ***(Populates from below)***
CREDIT FOR SETTLEMENT COSTS FROM THE MORTGAGE LENDER IN EXCHANGE FOR YOUR SELECTED INTEREST RATE – This will be reflected as a credit to you on Block 2 of your Good Faith Estimate:	_____ ***(Must be completed)***
YOUR ADJUSTED BROKER FEE - The portion of our fees that will be paid by you to us directly after applying the above credit of the mortgage lender, if applicable. This amount is included in the "Your Adjusted Origination Charges" of Block A of your Good Faith Estimate. The "Your Adjusted Origination Charges" amount represents the total sum difference of Box 1 and Box 2 of your Good Faith Estimate.:	_____ ***(Must be completed)***

step 3

step 4

By signing below, you acknowledge that:
(i) You have received an initial Good Faith Estimate within three (3) business days of the mortgage loan application date and you intend to proceed with the loan transaction.
(ii) The Agreement has been explained to you and you understand it.
(iii) You have not been charged any fees, other than a reasonable credit fee (if applicable), prior to entering into this Agreement
(iv) You voluntarily enter into this Agreement and agree to the fees above.
(v) The fees above are based on current market rates and your current loan request.

☐ **If this box is checked, the form has been amended. All amendments must be initialed by the borrower, or a new agreement must be completed.**

step 5

Borrower: _____ Co-Borrower: _____

Signature: _____ Signature: _____

Date: _____ Date: _____

Sign & Date

Broker Name: _____ By: Signature: _____
(Printed Name)

Date: _____

Instructions to Broker - ALL fields are mandatory
1. Enter your company name
2. Enter loan amount including UFMIP
3. Enter the amount of the lender credit towards broker fees, typically referred to as Yield Spread Premium
   - If not applicable, a blank is not acceptable. You must enter $0 or N/A
4. Enter the amount of the broker fees that will be paid directly by the borrower. This does not include pass throug fees paid to the broker such as appraisal and credit report fees.
5. Check this box if the MBFA is amended
   - The MBFA can only be amended prior to signing closing documents. An amended MBFA increasing the Maximum Broker Fee is only permited as a result of a loan amount increase. This box should be checked if either (1) this is a new Agreement that was fully executed and dated, or (2) the original form was amended with changes that have been initialed and dated by all borrowers and broker.

EVERY borrower and broker **must** sign and date **prior to** submission. All changes must be stricken and initialed.