

Upfront Mortgage Broker® Commitment

- 1. The broker will endeavor to act in the best interests of the customer.**
- 2. The broker will establish a price for services upfront, in writing, based on information provided by the customer.**

The price may be a fixed dollar amount, a percent of the loan, an hourly charge for the broker's time, or a combination of these. The price or prices will cover all the services provided by the broker. If the broker charges a loan processing fee, the amount will be disclosed to the customer, regardless of whether it is paid directly to the broker or to a third party.

On third party services, such as an appraisal, ordered by the broker but paid for by the customer, the broker will provide the invoice from the third party service provider at the customer's request. Alternatively, the broker may have the payment made directly by the customer to the third party service provider.

- 3. Any payments the broker receives from third parties involved in the transaction will be credited to the customer, unless such payments are included in the broker's fee.**

***If the broker's fee is 1 point, for example, and the broker collects 1 point from the lender as a "yield spread premium", the broker either charges the customer 1 point and credits the customer with the yield spread premium, or charges the customer nothing and retains the yield spread premium.**

- 4. The broker will use his best efforts to determine the loan type, features, and lender services that best meet the customer's needs, and to find the best wholesale price (rate and points) for that loan from the lenders with which the broker is approved.**
- 5. After the terms have been locked, if requested by the customer, the broker will provide a copy of the applicable lender's rate sheet that discloses the wholesale price.**
- 6. When directed by a customer who has met lender lock requirements, the broker will lock the terms (rate, points, and other major features) of the loan, and will provide a copy of the written confirmation of the rate lock as soon as it has been received from the lender. At the same time, the broker will guarantee all fees charged by the lender who locks the rate.**
- 7. If a customer elects to float the rate/points, the broker will provide the customer the best wholesale price available from the lenders with which the broker is approved on the day the loan is finally locked.**
- 8. The broker will maintain a web site on which its commitment to its customers is prominently displayed, along with any other information the broker wishes to convey. If the web site displays mortgage prices, the broker will indicate whether the prices are retail or wholesale. If prices are retail, the markup will be shown. If prices are wholesale, a prominent note will indicate that the broker's fee will be an added charge.**