

Originator Compensation Agreement

Company Name (Originator): _____

Corporate address: _____

AFR Account Executive: _____

- This agreement shall commence with loans locked with AFR after the effective date of this agreement and will continue until the next compensation agreement is in effect. This agreement shall be in effect no less than 60 days. The Originator may initiate a new Compensation Agreement with a new effective date after the minimum time requirement has elapsed and after AFR approval.
- **The Lender paid** compensation for all loans received, accepted and eventually closed or purchased by AFR whereby the mortgagor selects to have the Originator’s compensation be paid by the lender shall be set at the selected amount of bps below. The selected bps will be calculated as a percentage of the closed loan amount. Therefore, 25bps shall be calculated as .25% of the loan amount. The selected amount cannot be less than 100bps and no more than 275 bps in increments of 25bps.

100bps	137.5bps	175bps	212.5bps	250bps
112.5bps	150bps	187.5bps	225bps	262.5bps
125bps	162.5bps	200bps	237.5bps	275bps

- The **Minimum** amount of compensation for closed loans will be set at \$_____.
(If selected, \$1,000.00 is the only option)
- The **Maximum** amount of compensation for all closed loans will be set at \$_____.
(If selected, this amount must be in increments of \$500.00 and must be less than or equal to \$20,000).
(By default, all loans will have a maximum compensation set at \$20,000.00)
AFR’s maximum compensation is \$20,000.00
- **The Borrower paid** compensation for all loans received, accepted and eventually closed or purchased by AFR whereby the mortgagor selects to have the Originator’s compensation paid by the borrower shall be the same, or lower than the lender paid compensation select above in 25 bps increments.

***Please note: Borrower paid compensation does not afford the option to select a minimum compensation.
The maximum compensation an Originator may receive from the Borrower or AFR is \$20,000.00***

- At AFR’s discretion, all agreements will automatically renew at the same terms and conditions if a new agreement is not executed prior to the expiration date.
- AFR has the right, at its sole discretion, to change the availability of any compensation offers including bps spreads, bonus or any other form of compensation allowed under Regulation Z.
- The approval of a new Compensation Agreement request is solely at AFR’s discretion.

- If there is a change in compensation, all compensation will be paid based on the agreement in effect at the time of the loan's lock date.

For example:

- an agreement is in effect April 5th paying the originator 200bps,
 - a new agreement goes into effect June 1st paying the originator 100bps,
 - the application is dated May 15th,
 - the loan is submitted and locked by AFR June 15th,
 - the compensation is based on the compensation agreement in effect on June 15th thus paying the originator 100bps on that particular loan.
- All borrower paid compensation must be properly disclosed to the borrower on the Loan Estimate (LE).
AFR reserves the right to reject any loan where the Borrower paid Originator's Compensation is not properly disclosed to the Borrower.
 - Please note that the lender paid compensation is not disclosed on the LE.
 - We only allow ONE agreement per company. Therefore, each branch location may NOT have a separate agreement.

Acknowledgement:

I have read and fully understand all of the Federal Reserve's amendments of Section 226.36 of Regulation Z. I have also read and understand American Financial Resource's policy on Originator Compensation as it relates to the Federal Reserve's amendments of Section 226.36 of Regulation Z. Our company has an existing comp plan that is compliant with all aspects of all amendments to Regulation Z including, but not limited to how all loan originators receive their compensation.

I am warranting that I am authorized to make this compensation selection for the above named AFR Client.

Signature

Name Printed

Title

Date

Please e-mail this executed agreement to clientservices@afrwholesale.com and copy your Account Executive.

AFR internal use only

Effective date: _____

Approved by: _____