



Anti-Steering Loan Options Disclosure

Loan Originators (including brokers) are prohibited from directing or “steering” a borrower to a loan where the Loan Originator will receive greater compensation from the Lender unless the loan is in the Borrower’s interest.

To fulfill the safe harbor provisions of the anti-steering requirements, Brokers Advantage Mortgage (“BAM”) requires brokers to provide an Anti-Steering Loan Options Disclosure (“Disclosure”) to the borrower that shows the loan options for each type of loan in which the borrower expresses an interest. This Anti-Steering Disclosure is required for all lender-paid transactions and must be (i) presented to the borrowers at the time the broker has sufficient information to complete the Disclosure and (ii) acknowledged by all borrowers.

The Disclosure must contain the following loan options:

1. The loan with the lowest interest rate (even if this loan option may have “risky” features);
2. The loan with the lowest interest rate without “risky” features (i.e. negative amortization, a prepayment penalty, interest only payments, a balloon payment in the first seven years of the life of the loan, a demand feature, shared equity, or shared appreciation); and
3. The loan with the lowest total dollar amount for origination points, fees, and discount points.

In addition, the following are required:

- Each disclosed loan option on the Disclosure must include the rate and applicable points, fees, and discount points.
- The loan options on the Disclosure must accurately reflect actual available options to the borrower at the time of disclosure. For example, the loan with lowest rate must have the lowest rate.
- The broker must in good faith present loan options for which the borrower likely qualifies and include loan options from a significant number of creditors with which the broker regularly does business.
- The terms of the loan submitted to BAM must be displayed on the Disclosure as “*You are applying for a loan with the following terms*” and must be available from BAM on the date of the Disclosure.
- A Pricer printout must accompany the Disclosure at the time of submission to BAM.
- The Disclosure must be signed by all borrowers. A borrower acknowledgement or attestation indicating they received the loan options is not acceptable.
- BAM may require supporting documentation to verify that the disclosed options are accurately depicted.

BAM is providing a sample disclosure for your convenience. We will accept the disclosure you obtain from your loan origination system provided it meets BAM’s requirements.

Please contact your Account Executive for questions and assistance.



Anti-Steering Loan Options Disclosure

Sample Anti-Steering Loan Options Disclosure

Loan Number: _____

Borrower Name: _____

Dear Borrower,

You have applied for a mortgage loan through [mortgage broker company name]. To ensure you, the borrower(s), has sufficient information to determine the appropriate loan, we are providing you with the following loan options. These loan options provide you with detailed rate and loan cost information to assist you in choosing the correct loan for your particular financial situation. Carefully review the loan options presented below to ensure you have chosen the appropriate option.

Your Loan Options. For each type of transaction in which you expressed an interest, your mortgage broker has obtained loan options from a significant number of lenders in which your mortgage broker regularly does business. Your mortgage broker has a good faith belief in the following loans:

Transaction type must match the type of loan submitted to BAM

Type of Transaction (check one) <input type="checkbox"/> Fixed Rate <input type="checkbox"/> Adjustable Rate		Interest Rate	Total origination Points, fees, and discount points
Option 1	Loan with the lowest Interest Rate	_____ %	\$ _____
Option 2	Loan with the lowest Interest Rate without negative amortization, a prepayment penalty, interest-only payments, a balloon payment in the first 7 years of the life of the loan, a demand feature, shared equity, or shared appreciation	_____ %	\$ _____
Option 3	Loan with the lowest total dollar amount for origination points or fees and discount points	_____ %	\$ _____
You are applying for a loan with the following terms		_____ %	\$ _____

Interest rate and total fees must be completed for each of the three loan options.

If you expressed interest in an adjustable rate loan and if the loan's initial rate is fixed for at least 5 years, the "Interest Rate" disclosed in this document is the initial rate that would be in effect at consummation. If the loan's initial rate is not fixed for at least 5 years, the "Interest Rate" is the fully-indexed rate that would be in effect at consummation without regard to any initial discount or premium.

This is not a lock-in agreement or loan commitment. The interest rate and fees described throughout this disclosure are available on the date the document was prepared and they may be subject to change if you have not locked in your interest rate. If your lender offers rate locks you may be required to lock the rate to obtain the rate and origination cost disclosed above. Additionally, even if your loan is locked, the Interest Rate and fees may be subject to change as the loan is underwritten.

If your lender does offer rate locks and you have not locked your loan, please be aware that interest rates move constantly. The way to set a certain Interest Rate and fees is for your mortgage broker to lock your loan. Once you lock your loan, you are agreeing to close your loan within a certain period of time and at a certain interest rate. If you instruct your mortgage broker to lock your loan, your mortgage broker can explain to you the Interest Rate and fees you will pay.

Be sure that you understand and are satisfied with the product and terms that have been offered to you.

Signed:

Broker Loan Officer Name and NMLS Number

Broker Loan Officer Signature

All borrowers are required to sign and date the disclosure.

Broker Entity Name and NMLS number

Broker Entity Address

Borrower Name

Borrower Signature

Date

Borrower Name

Borrower Signature

Date

Borrower Name

Borrower Signature

Date

Borrower Name

Borrower Signature

Date