



Mortgage Broker Contract

Notice to Prospective Borrower(s): Read this contract carefully so that you make an informed choice. You are entitled to a copy of this contract. Signing this contract does not obligate you to obtain a mortgage loan through this mortgage broker, nor does it constitute mortgage loan approval.

This contract is between:

Name(s) of borrower(s): _____, the "Borrower(s)" or "you"
and

Name of mortgage broker company: _____, located at

Address of mortgage broker company: _____, who has authorized

Name of mortgage broker: _____ to enter into this

contract on its behalf. In this contract, the mortgage broker company and the mortgage broker are called "I" and the entity which will provide your mortgage loan funds is called "lender."

Who Do I Represent?

I represent you. I am your agent and I will get you the most favorable mortgage loan that meets your stated objectives. I will shop for your loan from among _____ lender(s). I will charge you a fee for my services but I will not receive any fee for your mortgage loan from a lender.

I represent you, but I may receive a fee from a lender. I am your agent and I will get you the most favorable mortgage loan that meets your objectives. I will shop for your loan from among _____ lender(s). I may charge you a fee for my services and I may also receive an additional fee for your mortgage from a lender.

I do not represent you. I am not your agent. I arrange loans from lenders and get paid by lenders and borrowers. I make mortgage loans available from

one lender (name of lender): _____ ; or

among (number) _____ lenders.

What Will I Be Paid?

For arranging your loan of up to \$ _____ at an interest rate of _____ (% rate or reference/attach ARM program), I will receive no greater than _____ points and other compensation of \$ _____, so that my total compensation will be no greater than: _____ (total compensation in \$ amount and/or % of loan).

My **Total Compensation** will be made up of: _____ plus _____
Fees You Pay me (\$ amount and/or % of loan) Fees a Lender Pays me (\$ amount and/or % of loan)

If you would rather pay a lower interest rate, you may pay higher upfront fees; if you pay less up front, you may pay a higher interest rate. Before you sign this contract, I can display alternatives for you.

The amounts disclosed here apply only if you qualify for this loan.

We agree to the terms of this contract. By signing below, the mortgage broker further certifies that the information in this contract is accurate and complies with all provisions of section 8 of the Real Estate Settlement Procedures Act and 24 CFR part 3500.

Borrower(s) Signature & Date:

Mortgage Broker Signature & Date:

X

X

Borrower(s) Signature & Date:

Mortgage Broker License No: (where applicable)

X

Attention Borrowers: Know Your Rights!

This may be the largest and most important loan you get during your lifetime. You should be aware of certain rights before you enter into any loan agreement.

1. You have the RIGHT to shop for the best loan for you and compare the charges of different mortgage brokers and lenders.
2. You have the RIGHT to be informed about the total cost of your loan including the interest rate, points and other fees.
3. You have the RIGHT to ask for a Good Faith Estimate of all loan and settlement charges before you agree to the loan and pay any fees.
4. You have the RIGHT to know what fees are not refundable if you decide to cancel the loan agreement.
5. You have the RIGHT to ask your mortgage broker to explain exactly what the mortgage broker will do for you.
6. You have the RIGHT to know how much the mortgage broker is getting paid by you and the lender for your loan.
7. You have the RIGHT to ask questions about charges and loan terms that you do not understand.
8. You have the RIGHT to a credit decision that is not based on your race, color, religion, national origin, sex, marital status, age, or whether any income is from public assistance.
9. You have the RIGHT to know the reason if your loan was turned down.
10. You have the RIGHT to ask for the HUD settlement costs booklet "Buying Your Home."

Buying Your Home and other helpful information is available at HUD's WEB site:
http://www.hud.gov/fha/res/respa_hm.html

For other questions call 1-800-569-4287.