

Mortgage Broker Fee Disclosure

LOAN AMOUNT: _____ POINTS : _____

You have applied to Pacific Coast Lending for a residential mortgage loan. We will submit your application to a participating lender that we contract upon such terms and conditions as you may request or a lender may require. The lenders have asked that this form be furnished to you to clarify the role of mortgage brokers. This form supplements other disclosures or agreements required by law that you should receive from Pacific Coast Lending concerning your application.

SECTION 1: NATURE OF RELATIONSHIP. In connection with this mortgage loan:

- Pacific Coast Lending may be acting as an independent contractor and not your agent. If you are unsure of the nature of your relationship, please ask us for clarification.
- Pacific Coast Lending has separate independent contractor agreements with various lenders. While Pacific Coast Lending seeks to assist you in meeting your financial needs it does not distribute the products of all lenders or investors in the market and cannot guarantee the lowest price or best terms available in the market.
- Broker shall perform the following services for Borrower: (1) take an application; (2) collect financial information (tax returns, bank statements) and other information related to the application process; (3) order a credit report and appraisal; (4) provide disclosures mandated by state and federal law; (5) identify for Borrower institutional lenders (if any) from which Borrower appears eligible to obtain a residential mortgage loan; (6) other: Borrower is not obligated to use broker services.

SECTION 2: THE BROKERS COMPENSATION. The lenders whose loan products are distributed by Pacific Coast Lending generally provide their loan products to Pacific Coast Lending at a wholesale rate.

- The retail price that Pacific Coast Lending offers you – your interest rate, total points and fees – will include our compensation paid by either you or the lender
- Alternatively, we may be paid a portion of our compensation by both you and the lender. For example, in some cases, if you would rather pay a lower interest rate, you may pay higher up-front points and fees. Also, in some cases, if you would rather pay less up-front, you may wish to have some or all of our fees paid directly by the lender, which will result in a higher interest rate and higher monthly loan payments than you would otherwise be required to pay. We may also be paid by the lender based on (a) the value of the Mortgage Loan or related servicing rights in the market place or (b) other services, goods or facilities performed or provided by Pacific Coast Lending to the lender.
- Other Charges: Borrower agrees to pay Broker for actual charges to be incurred on behalf of Borrower to process the application. Estimates of these charges are set forth in the Good Faith estimate of Closing Costs. Borrower agrees to pay Broker for charges outlined on Good Faith Estimate and any yield spread premiums that Broker would earn from investor based upon the rate and terms that the Borrower agrees to based upon the terms reflected on the Good Faith Estimate should Broker deliver those terms and Borrower elect to cancel thereafter.
- The amount of fees and charges that you pay in connection with your loan will be estimated on your Good Faith Estimate. The final amounts will be disclosed on your HUD-1 or HUD-1A Settlement Statement which is distributed at close of escrow.

You may work with Pacific Coast Lending to select the method in which it receives its compensation depending on your financial needs, subject to lender's loan program requirements and credit underwriting guidelines.

SECTION 3: BUSINESS ARBITRATION. As a member of the BBB, Pacific Coast Lending subscribes to the arbitration program in resolving disputes that may arise.

- You and Pacific Coast Lending agree to submit any dispute arising under this agreement, except a dispute alleging criminal violations or seeking punitive damages or damages for mental anguish, to arbitration in accordance with the rules of the Better Business Bureau (Binding). A volunteer arbitrator will render a decision based upon fairness, not necessarily upon legal principles, but it will be binding on both of us. Judgment on the decision may be entered in any court having jurisdiction. You will not have to pay anything for the arbitration.
- This Agreement to Arbitrate affects important legal rights. Neither of us will be able to go to court for disputes once we agree in advance to arbitrate, and neither of us will be committed by the terms of this agreement unless you sign below.
- Further information about BBB arbitration may be obtained by calling the Better Business Bureau at 909-825-0490.

SECTION 4: AFFILIATED SERVICES. Through the nature of the application process Pacific Coast Lending will contract with third parties to secure the funding for your loan. Those sources may include but not be limited to escrow companies, title companies, appraisal providers, credit services and financial institutions.

- You may select your own provider for some third party services. You are not required to use the provider selected by Pacific Coast Lending.
- Pacific Coast Lending is in no way responsible for disputes or services provided by third parties in association with the loan process. While we may refer service and negotiate on your behalf we can assume no liability or financial responsibility for any reason what so ever with regards to a third party service provider.
- Pacific Coast Lending has an Associated Business Affiliation (ABA) with AutoLink Payment Services Escrow and Mortgage Saver's Bi-Weekly Payment Program. These companies act independently but are owned in part or whole by the same principle(s) as Pacific Coast Lending, and you are not obligated to use these services.

SECTION 5: PREPAYMENT PENALTY RIDER: Due to the relationships we have with our investors we are required to not payoff a mortgage loan for 180 days from the date of your first payment. You hereby agree that should we fund your loan and you then payoff the loan within the first 120 days of your first payment you will compensate Pacific Coast Lending the amount of 1.5% of your loan amount. This prepayment penalty can be modified or waived only by express written approval from Pacific Coast Lending.

By signing below, applicant (s) acknowledge that you have read, agree and understand this document. By your signature, you also acknowledge that you have received a copy of this document.

BORROWER:

Signature: _____

Date: _____

Print Name: _____

CO-BORROWER:

Signature: _____

Signature: _____

Broker/Pacific Coast Lending

Print Name: _____