

Alabama Mortgage Broker Agreement

Loan #:

Date:

MIN:

Broker:

Borrower(s):

Property Address:

The nature of the Broker's relationship to the Borrower is as follows:

We are authorized and prepared to assist you in securing a mortgage loan commitment. **We are acting as an independent contractor and not as your agent or fiduciary.** We will enter into separate independent contractor agreements with various lenders. You understand that our services are advisory and administrative in nature. **While we seek to assist you in meeting your financial needs, we do not distribute the products of all lenders or investors in the market; we cannot guarantee the lowest price or best terms available in the market and we cannot guarantee acceptance into any particular loan program or promise any specific loan terms or conditions.**

Our services may include, but are not limited to, the following:

Take information from you and fill out your application.

Analyze your income and debt to determine the maximum mortgage you can afford.

Collect financial information and other related documents from you that are part of the application process.

Initiate and order verifications of employment and verifications of deposit.

Initiate and order requests for mortgage and other loan verifications.

Educate you in the home buying and/or financing process, advise you about the different types of loan products available and demonstrate how closing costs and monthly payments could vary under each product.

Assist you in understanding and clearing any credit problems.

Initiate and order appraisal(s).

Initiate and order any inspections or engineering reports.

Maintain regular contact with you, any realtors, and lender between application and closing to appraise you and them of the status of the application and gather any additional information as needed.

Order legal documents.

Determine whether the Property is located in a flood zone or order a service to determine the same.

Participate in the loan closing.

Other: **order flood certifications**

We will continue to provide these services until your loan is closed, your loan request is denied or you terminate our services for any reason, whichever occurs earlier.

The method by which the Broker will be compensated for services is:

The lenders whose loan products we distribute generally provide their loan products to us at a wholesale rate. The retail price we offer you - your interest rate, total points and fees - will include our compensation. In some cases, we

will receive all of our compensation from you, to be paid in cash or from the loan proceeds at the time of settlement, or if your loan is for a purchase transaction, we may receive all or part of our compensation from the seller in accordance to a separate agreement. In other cases, we will receive all of our compensation from the lender. You may be able to obtain a lower interest rate by paying higher points and fees. (A "point" is 1% of the loan amount.) Alternatively, you may be able to finance the payment of our compensation or other costs that you would otherwise be required to pay directly by paying a higher interest rate.

Having discussed the specific effects these alternatives may have on your interest rate, points, fees and other loan terms, and the various payment options that are available to you, you agree our compensation will be paid as follows:

Borrower Compensation: As compensation for our services under this Agreement, you agree to pay us a mortgage brokerage fee in the amount of _____ % of the loan amount or \$ _____. You may pay the mortgage brokerage fee either with funds you bring to the loan closing or from the loan proceeds at the time of settlement. You will be obligated to pay us only if your loan closes.

Other agreements, if any:

In addition to our compensation, you may be obligated to pay other fees and charges in connection with your loan application that are not disclosed in this agreement. Estimates of those other fees and charges are reflected on the accompanying Itemization of Fees and are generally refundable prior to settlement only if the goods or services to which the costs relate have not been ordered, unless otherwise required by applicable law. We shall not collect any fees payable to us until we obtain a conditional commitment from a lender.

While we will make a good faith effort to process your loan application as expeditiously as possible, certain types of situations that are unknown to us at the time your application is taken could affect the processing of your loan application and the fees and charges you may be obligated to pay, including, but not limited to, the following:

- an appraisal value of the property that is different from the value as estimated by you;
- credit obligations that you fail to report;
- a change in your financial circumstances that would result in your ineligibility for the loan; and
- a material change or discontinuation of a loan program by an investor or other entity, such as the U.S. Department of Housing and Urban Development, the Veterans' Administration or a private investor.

Ala. Code § 5-25-12(a)(1)

