



Instructions for Completing the Anti-Steering Disclosure

OVERVIEW

The Federal Truth-In-Lending Act and Regulation Z prohibits the Loan Originators from directing or “steering” borrower(s) to consummate a loan based on the fact that Loan Originators will receive greater compensation from the Lender in the transaction than in other transactions Loan Originator offered or could have offered unless the loan is in Borrower’s interest. A Loan Originator is a mortgage loan broker for the purpose of this provision of the regulation.

To fulfill the safe harbor provisions of the anti-steering requirements, Lead + Wholesale Lending will require that Mortgage Loan Brokers present a disclosure of loan options to the Borrower(s) for each type of loan in which the borrower expresses an interest.

The Anti-Steering Disclosure is required for all transactions where a Mortgage Loan Broker is compensated by someone other than the borrower (i.e. when borrower is selecting a lender-paid option). The Anti-Steering Disclosure must be acknowledged by all borrower(s) and be presented to the borrower(s) at the time the mortgage loan broker has sufficient information to complete the disclosure.

SUBMISSION REQUIREMENTS

The “Anti-Steering 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.
3. The loan with the lowest total dollar amount for origination points or fees and discount points.

Your attention to these requirements is necessary:

- Options must contain rate, points and fees for each option.
- The loan options must be an accurate reflection of the available options at time of disclosure and as listed on the Anti-Steering Disclosure. For example, the loan with lowest rate must have the lowest rate.
- Mortgage loan broker must – in good faith- present loan options for which the consumer likely qualifies and includes loan options from a significant number of creditors with which the originator regularly does business.
- The loan submission to VPM must be for the loan displayed in “*You are applying for a loan with the following terms*” and must be a Lead + Wholesale Lending loan option available on the day of the disclosure. The “*Interest Rate*” and the “*Total Origination Points or Fees or Discount Points*” for the loan applied for should match or be between the rate and total fees disclosed for Option 1 and Option 3.
- A Pricer printout must accompany the Anti-Steering Disclosure at time of submission to VPM.
- The Disclosure must be signed by all Borrowers. A borrower acknowledgment or attestation indicating they received the loan options is not acceptable.
- Lead + Wholesale Lending may require supporting documentation to verify that the disclosed options are accurately depicted.

Lead + Wholesale Lending is providing a sample disclosure for your convenience. We will accept the disclosure you obtain from your loan origination system provided it meets all Lead Plus Wholesale Lending’s requirements.

Please contact your Lead Plus Wholesale Lending Executive for questions and assistance.

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 the creditors with which your mortgage broker regularly does business. Your mortgage broker has a good faith belief that you qualify for the following loans:

Type of Transaction (<i>check one</i>) <input type="checkbox"/> Fixed Rate <input type="checkbox"/> Adjustable Rate		Interest Rate	Total origination points or 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		_____ %	\$ _____

Transaction type must match the type of loan being submitted to VPM

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

If you expressed an 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

 Date

 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

All borrowers are required to sign and date the disclosure.