

Security Trust Mortgage, Inc.

Mortgage Loan Disclosure/Origination Agreement

A Good Faith Estimate (GFE) is a government required estimate of the closing costs that you could have with your mortgage loan. A broker is required by the Real Estate Settlement And Procedures Act (RESPA) to give the estimate to you at the time of application or to SEND it to you within 3 days of the receipt of the application by the brokers office. **There may not be one included in this application if at the time of this application being sent we do not have any particular loan program or subject property chosen.** The purpose of this application may be for credit/income analysis. After Security Trust Mortgage receives this application we will obtain your credit report, verify your income information, and then counsel you on the various mortgage plan options available.

BORROWER/S AGREE:

Security Trust Mortgage, Inc. has been contracted by me/us at this time to help complete the mortgage process with a lender. I/We understand that Security Trust Mortgage, Inc. is not acting as my/our agent, but an independent contractor, and will be entering into separate independent contractor agreements with various lenders. No employee or fiduciary relationship is desired by either party or implied by the Borrower/s using Security Trust Mortgage, Inc. to find a mortgage program. Security Trust Mortgage, Inc. is checking the loan programs and terms available to match my/our qualifications, and providing the lenders information to me/us. If no plan has been chosen within 3 days of the brokers receipt of this application, a Good Faith Estimate will be sent to me/us anyway that reflects figures on an average program for the borrowers situation.

I/We acknowledge that locking in a rate through Security Trust Mortgage, Inc. shows that I/We are satisfied with those terms.

Security Trust Mortgage, Inc. may receive a fee from the actual lender. This fee is called a 'Yield Spread Premium', and is based on your interest rate. The wholesale lender has interest rates available for your loan program at both above and below the rate you have chosen. At a certain rate the lender makes the profit they need to do business. That rate is called a 'par' rate. If the rate you want is below that point the lender needs to charge a fee called 'discount points'. That means that they have discounted their rate, and charge a fee to you to bring their profit back to the needed amount. In that case the broker also has to charge to make a profit. The brokers fee is called 'origination points'. If you pay a higher rate than the lenders 'par' rate, they will be receiving extra profit from your payments, and/or will receive profit from the sale or servicing of the loan. They can pass part of that to the mortgage broker as the 'Yield Spread Premium.' (Sometimes called a 'rebate')

A mortgage broker may be paid fully from you, fully from the lenders rebate, or a combination of both. When the broker is being paid a Yield Spread Premium from the lender, it may show on your final escrow paperwork as 'POC', meaning Paid Outside Close' or YSP. We also may be paid by the lender based on (1) the value of the mortgage loan or related servicing rights in the market place or (2) other services, goods or facilities performed or provided by us to the lender.

RESPA loosely states that if we don't know what type of program is available for the borrower we should give an initial GFE that represents the average rate for the program that we think will work for the borrower. For our fee we can state the average fee that the company makes on all loans though it may not apply to your loan. For rebates the mortgage broker must initially disclose a possible spread of rebates available to the broker for normal business. It may be that we are to be paid solely from the lenders rebate, and charging no points to you but have disclosed an origination points fee on the GFE just to satisfy this average fee regulation.

I/We acknowledge that Security Trust Mortgage, Inc. may receive a Yield Spread Premium from the lender of from 0 to 6 points, and will be disclosed to us at least 3 days before settlement. As we have been counseled on the availability of lower rates offering no Premium, we do not feel that loan terms offering rebates are solely for the brokers best interest. We are aware of the relationship between the actual rate and the points fee or rebate, and will choose our program with that in mind. While it should reflect as close as possible the actual closing costs associated with this transaction, the GFE may not be accurate at this time without having a loan program/rate for which we are approved by the actual lender. I/We agree to pay any outstanding charges such as appraisal, credit report, etc. should I/We cancel this loan after I/We have approved the ordering of said services. The exception is our right of rescission within three days of signing final papers on an owner occupied refinance.

Borrower Date

Borrower Date

Borrower Date

Borrower Date