

In an effort to help our brokers understand the NPF Anti-Steering requirements, the attached information provided may be used as a guide when completing the disclosure.

This is not intended to be used as a substitute for legal advice or opinions. Our broker partners should consult their own legal and compliance teams to ensure all provisions outlined in the safe harbor requirements under Section 226.36 (e) (2) of Regulation Z are being met.

Requirements:	The Anti-Steering Disclosure is unacceptable if....
1. The NPF Anti Steering Disclosure form is the only acceptable version of the form.	<ul style="list-style-type: none"> ...a version other than the NPF form is provided.
2. The Anti Steering Disclosure must be signed by EACH borrower at least one business day prior to the date the note is signed.	<ul style="list-style-type: none"> ...only one borrower signs and there is more than one borrower on the loan. ... any borrower's signature is dated on the same date the note is intended to be signed. ...any borrower's signature is not a full business (not calendar) day prior to the signature date.
3. The Anti Steering Disclosure must contain a minimum of three written loan options.	<ul style="list-style-type: none"> ... the Anti Steering Disclosure contains less than three options. ... the document contains N/A or blanks in any one of the three loan options.
4. The loan options presented must be logical, complete, and accurate.	<ul style="list-style-type: none"> ...the <i>lowest interest rate</i> option is not actually reflecting the lowest interest rate of all offers presented. (The <i>Lowest interest rate without risky features</i> option and the <i>Lowest Cost</i> option cannot reflect a <u>lower</u> interest rate than the <i>lowest rate</i> option). ...the <i>lowest points and fees</i> option (3) is not actually reflecting the lowest points and fees of the three offers presented. ...the loan terms presented for EITHER the <i>lowest rate</i> option OR the <i>lowest rate without risky features</i> option are the same as the loan terms presented for the <i>lowest points and fees</i> option. (Note that NPF will consider scenarios where the <i>lowest rate</i> option & the <i>lowest rate without risky features</i> option are the same loan terms on a case by case basis.) ...the same loan terms are listed for all three loan options.

Anti-Steering/Loan Options Disclosure

Broker Company Name: _____

Borrower(s): _____

Property Address: _____

Complete information on top of form.

Boxes 1 thru 8 must be filled out, no blanks or "N/A". Interest rate in box 1,2,3,4 must be a positive #.

Boxes 5 - 8 are a net calc of lender fees AND either the lender credit due to buy-up, or discount points due to buy-down, whichever applies. LPC is not part of the calculation. Negative costs due to a credit are to be indicated by either "(" or "{}". A negative sign, i.e. "-" will only be accepted if it is clear and legible.

Box 4 & 8 must reflect the loan terms for which the borrower applied. This may be different from the final loan terms.

The broker information is preferred but not mandatory.

The date signed must be at least one business day prior to the date the note is signed for both escrow & non escrow states.

"Type of Transaction" must be selected & remain consistent with the final loan terms.

Option 1 must reflect the lowest rate of the three options presented.

Option 3 must reflect the lowest points and fees of the three options presented.

Each borrower must sign and date the disclosure.

Dear Borrower,

You have applied for a mortgage loan with our company. To ensure you have 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, we have obtained loan options from a significant number of the creditors with whom we regularly conduct business. We have a good faith belief that you likely qualify for the following loans:

Type of Transaction (check one)		Interest Rate		Total origination points or fees and discount points	
<input type="checkbox"/> Fixed Rate					
<input type="checkbox"/> Adjustable Rate					
Option 1	Loan with the lowest Interest Rate	⇒	1	5	\$
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	⇒	2	6	\$
Option 3	Loan with the lowest total dollar amount for origination points or fees and discount points	⇒	3	7	\$
You are applying for a loan with the following terms		⇒	4	8	\$

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 a 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 you to request that your loan be locked. 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 us to lock your loan, we 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 _____ Broker Loan Officer Signature _____ Date _____

Broker Entity Name _____ Broker Entity Address & License Number _____

Borrower Name _____ Borrower Signature _____ Date _____

Borrower Name _____ Borrower Signature _____ Date _____

Borrower Name _____ Borrower Signature _____ Date _____

- ☐ Must indicate on form the loan product (Fixed or ARM)
- ☐ Product (fixed or ARM) must be the same as the final loan product being closed.
- ☐ Must have THREE loan options presented and they must be clearly labeled by category:
 - Lowest Interest Rate
 - Lowest Interest Rate without the following features: Neg Am, PPP, IO, 7 year balloon, demand feature, shared equity, or shared appreciation.
 - Lowest Origination Points, Fees, and Discount points
- ☐ **All three options must be filled out** and must reflect loan terms that are accurate and logical. If less than three options are presented, you cannot accept the disclosure.
 - None of the three required loan options are blank or marked N/A.
 - Loan with the *"lowest interest rate"* must actually be the option showing the lowest rate. (The option for the *"lowest interest rate without risky features"* option cannot be a lower rate than the *"lowest interest rate"* option.
 - Loan with the *"lowest costs"* must actually be the option showing the lowest costs
 - Loan terms for *"lowest rate"* and/or *"lowest rate without risky features"* cannot match the *"lowest cost"*. It is expected that the rate for the *"lowest cost"* option is HIGHER than both *"lowest rate"* and *"lowest rate without risky features"* rate.
 - The origination costs must be expressed as a dollar amount, not as a percentage.
 - It is plausible the *"lowest rate"* option & *"lowest rate without risky features"* option will be the same terms.
- ☐ Origination costs should reflect a NET calculation of the following:
 - NPF fees of \$800 or \$895 plus \$75 PIW when applicable (will factor in as a positive number)
 - Rate related fees:
 - Priced lender credit (-)...must be commensurate with interest rate offered as of date of disclosure. (Will factor in as a negative number) ...OR...
 - Priced discount points (+)...must be commensurate with interest rate offered as of date of disclosure. (Will factor in as a positive number)
- ☐ Signature date must be at least one business day prior to closing.
- ☐ **Each** borrower on the loan must sign & date the disclosure. Pre printed dates are not acceptable, must be by hand.
- ☐ "Selected Option" or "Loan for which you applied" is not a mandatory section on the form. However, if there is a spot for this on the form it must be filled out.
- ☐ THINGS THAT ARE NOT REQUIRED:
 - Broker signature is not mandatory
 - Final loan terms do not necessarily need to match the terms on the disclosure. (But they should be relatively 'close').
 - Loan terms for which borrower applied do not have to be an exact match of any of three three options, HOWEVER both the rate and the COSTS for which the borrower applied must be within the high and low range of the terms contained in any of the three options.

Anti-Steering/Loan Options Disclosure

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Your Loan Options. For each type of transaction in which you expressed an interest, we have obtained loan options from a significant number of the creditors with whom we regularly conduct business. We have a good faith belief that you likely 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 ⇨	_____ %	\$ _____
<i>You are applying for a loan with the following terms</i> ⇨		_____ %	\$ _____

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.

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Broker Loan Officer Signature Date

Broker Entity Name

Broker Entity Address & License Number

Borrower Name

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