

## Anti- Steering Disclosure of Loan Options

Borrower(s): \_\_\_\_\_

Date: \_\_\_\_\_

Property Address: \_\_\_\_\_

To comply with the anti-steering prohibitions found in Regulation Z Part 1026, your loan originator must provide you loan options from the creditors with whom the originator regularly does business with and are for the type of transaction 1. You have expressed interest in and 2. Originator feels in good faith that you may qualify. The three examples below meet the criteria of disclosure set forth in the rule however may or may not take into consideration all of the items that may be important to you in finding a loan that is in your best interest. You DO NOT have to choose one of the disclosed options.

Fixed Interest Rate Options (if applicable)	Loan Option 1 – Lowest Rate	Loan Option 2- Lowest Origination Fees/ Points	Loan Option 3- Lowest Rate without Risky Features <sup>1</sup>
Description			
Interest Rate			
Origination /Fees			
Discount Points			
Adjustable Interest Rate Options <sup>2</sup> (if applicable)	Loan Option 1 – Lowest Rate	Loan Option 2- Lowest Origination Fees/ Points	Loan Option 3- Lowest Rate without Risky Features <sup>3</sup>
Description			
Interest Rate			
Origination /Fees			
Discount Points			

Broker Name: \_\_\_\_\_ NMLS#: \_\_\_\_\_

By signing below, you acknowledge that you have been provided with options for each type of loan in which you have expressed an interest in. In addition, you acknowledge that you have selected a loan option that best meets your needs and express intent to proceed with your application for credit.

Borrower: \_\_\_\_\_

Date: \_\_\_\_\_

Borrower: \_\_\_\_\_

Date: \_\_\_\_\_

Broker : \_\_\_\_\_

Date: \_\_\_\_\_

<sup>1</sup> "Risky features" include, but are not limited to, loans with prepayment penalties, planned negative amortization, interest only payments, balloon payment in first seven years, demand features, shared equity, or shared appreciation

<sup>2</sup> ARM's should be disclosed at fully indexed rate if start rate is for less than 5 years. If initial rate is fixed for 5 or more years, loan can be disclosed at start rate.

<sup>3</sup> See item 1.

## Completing the Anti-Steering Disclosure

While Luther Burbank Savings and Luther Burbank Mortgage, a division of Luther Burbank Savings provides an example of the anti-steering safe harbor disclosure, it is not required that you use the example provided by LBS. You may use the disclosure generated by your Loan Origination System so long as it contains similar language and comparison chart.

### Requirements

Present the consumer with loan options that include:

- 1 – The loan with the lowest interest rate;
- 2 – The loan with the lowest interest rate that does not feature:
  - Negative amortization
  - A prepayment penalty
  - Interest only payments
  - Balloon payment within the 1<sup>st</sup> 7 years
  - A demand feature
  - Shared equity
  - Shared appreciation
- 3 – The loan with the lowest total dollar amount for:
  - Origination points or fees
  - Discount points

### Grid Examples

<b>Fixed Rate</b>	<b>Loan Option 1 – Lowest Rate</b>	<b>Loan Option 2- Lowest Origination Fees/ Points</b>	<b>Loan Option 3- Lowest Rate without Risky Features*</b>
<b>Description</b>	LBS/LBM 30 Year Fixed	ABC Mortgage 30 Year Fixed	XYZ Lender 30 Year Fixed
<b>Interest Rate</b>	4.5%	4.875%	4.5%
<b>Origination /Fees</b>	\$2,195	\$0	\$2,195
<b>Discount Points</b>	\$1,000	\$0	\$1,000
<b>ARM</b>	<b>Loan Option 1 – Lowest Rate</b>	<b>Loan Option 2- Lowest Origination Fees/ Points</b>	<b>Loan Option 3- Lowest Rate without Risky Features*</b>
<b>Description</b>	LBS/LBM 5/1 IO	ABC Mortgage 5/1 Non-IO	XYZ Lender CONV 5/1 Non-IO
<b>Interest Rate</b>	3.00%	3.00%	3.875%
<b>Origination /Fees</b>	\$6,255	\$2085	\$0.00
<b>Discount Points</b>	\$0.00	\$0	\$8,861.25