

Loan Originator Compensation Policy & Agreement

This Loan Originator Compensation Policy & Agreement ("Agreement") is presented to and acknowledged by _____ ("Broker") doing business with JMAC Lending, Inc. ("JMAC") as of March 31, 2011.

WHEREAS, the terms and conditions of this Agreement shall apply to all Covered Transactions;

WHEREAS, it is understood by Broker that it is the policy of JMAC to comply fully with the Compensation Rule, which means, among other things, that JMAC will not pay Compensation to a Loan Originator based on the terms of a Covered Transaction, or a proxy for a term, nor will JMAC pay Compensation to a Broker if it has received Compensation from the borrower; and,

WHEREAS, Broker will be given a plan to execute that will outline the Compensation terms allowable under the terms of this Agreement (the "Compensation Plan"). The Compensation Plan is attached as exhibit A.

NOW, THEREFORE, in consideration of the promises and mutual agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Broker agrees as follows:

1. **Scope:** Broker will prepare, and submit to JMAC for funding consideration, completed loan application packages in connection with Covered Transactions. Nothing in this Agreement will create an obligation on the part of JMAC to accept or approve a loan application package as presented. Broker agrees that all Compensation will be paid only on closed and funded Covered Transactions, and that it will be compensated according to the terms of this Agreement then in effect.
2. **Definitions:**
 - **Compensation:** The term "Compensation" shall mean salaries, commissions, and any financial or similar incentive, and will include, but not be limited to, annual or periodic bonuses and awards of merchandise, services, trips or similar prizes.
 - **Compensation Plan:** The lender paid broker compensation plan that Broker is required to sign that will be issued and updated on a regular basis.
 - **Compensation Rule:** The Final Rule on Loan Originator Compensation, effective January 1, 2014, set forth in Regulation Z at 12 CFR §1026.36.
 - **Covered Transaction:** A "Covered Transaction" shall refer to a closed-end consumer credit transaction secured by a dwelling, including closed-end reverse mortgage transactions.
 - **Loan Originator:** The term "Loan Originator" shall have the meaning set forth in Regulation Z at 12 CFR §1026.36(a) and shall include, but not be limited to, any person who, in expectation of direct or indirect compensation or other monetary gain, takes an application for a Covered Loan, or offers, arranges or assists a consumer in obtaining or applying to obtain a Covered Loan.
 - **Steering:** The term "Steering" shall have the meaning used in Regulation Z at 12 CFR §1026.36(e) and shall include, but not be limited to, advising, counseling, or otherwise influencing a consumer to accept a particular Covered Transaction.
3. **Representations and Warranties:**
 - a) **Compensation:** Broker represents and warrants that it will comply at all times with the Compensation Rule. Without limiting the foregoing, for each loan application package submitted to JMAC for funding consideration, Broker represents and warrants that all Compensation will be paid by one source, in accordance with the Compensation Rule, meaning that Broker will be paid either by the borrower or JMAC. Broker represents and warrants that it did not and shall not receive Compensation based on the terms of a Covered Transaction.
 - b) **Steering:** The Broker represents and warrants that it did not steer the borrower to consummate a transaction that was not in the interest of the borrower.
 - c) **Policies and Procedures:** The Broker represents and warrants that it has implemented appropriate written policies and procedures designed to ensure compliance with all aspects of the Compensation Rule and any revisions to the policies and procedures shall be done in compliance with the Compensation Rule. Broker agrees to make its policies and procedures available to JMAC upon request.
4. **Record Retention:** Broker shall retain all documentation including, without limitation, all records sufficient to evidence all compensation it receives from a creditor, a consumer or other person, regarding a Covered Transaction between itself and JMAC for a period of not less than three (3) years after the date of its receipt of Compensation, or longer if required by applicable state law.
5. **Annual Attestation of Compliance:** As part of the recertification process with JMAC, Broker shall provide JMAC with a written attestation of its compliance with all aspects of the Compensation Rule.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed:

Broker			
With Its Principal Place of Business As			
Broker of Record's or Authorized Signor's Signature		Date	
Broker of Record's or Authorized Signor's Printed Name		Title	



Lender Paid Compensation Election Form

Loan Originator Information

Company Name / DBA	Broker of Record Name	Company NMLS ID#
JMAC Account Executive Name	JMAC Broker ID#	Implementation Term <input type="checkbox"/> Month to month (see below)*

This Compensation Election Form must be returned to JMAC Lending Inc. 5 days before the start of the new term. Please email to brokerapproval@jmac lending.com.

Lender Compensation Designation (Select Only One)

Please indicate by choosing one box. The first box allows choosing in 0.125 increments up to 2.750%.

- 0.250 0.375 0.500 0.625 0.750 0.875 1.000 1.125 1.250
 1.375 1.500 1.625 1.750 1.875 2.000 Other: _____ (Max 2.750%)

Minimum Revenue Amount \$ _____

Maximum Revenue Amount \$ _____

Flat Fee: \$250.00 \$500.00 \$625.00 \$750.00

Flat fee is in addition to Minimum or Maximum amount*

*** The Implementation Term** is effective for a month. Broker is not required to change or reaffirm its' compensation level every month. Unless JMAC Lending Inc. receives written notice of the Broker's selection of a different compensation plan level within the election window, the Compensation Plan with JMAC will automatically renew for the next month.

Certification

The broker or other authorized signors indicates by his/her signature below that this compensation election request is approved for the Loan Originator firm and further certifies that the submitted plan is in compliance with the current regulations.

Broker of Record's or Authorized Signor Signature		Date	
Broker of Record's or Authorized Signor Printed Name		Title	