

**PRE-APPLICATION DISCLOSURE AND FEE AGREEMENT**  
**FOR USE BY NEW YORK REGISTERED MORTGAGE BROKERS**

**THE USE OF THIS FORM IS OPTIONAL.** If you use this form properly without alteration, you may assume that you are in compliance with New York State Department of Financial Services disclosure requirements as set forth in Part 38.3 (a) of the General Regulations of the Banking Board as in effect on April 1, 2003. However, use of this form does not constitute a guarantee against civil or criminal liability.

Each page must contain the Company Name, the title of the form and be numbered. **Each page must contain either the initials or signature of the applicant(s).**

Instructions are enclosed in brackets, are preceded by the word "**INSTRUCTION**", and are in italics. The instructions are for your benefit and should not be included in your Pre-Application Disclosure and Fee Agreement.

**PRE-APPLICATION DISCLOSURE AND FEE AGREEMENT**  
**FOR USE BY NEW YORK REGISTERED MORTGAGE BROKERS**

**COMPANY NAME:** \_\_\_\_\_

**Company Address:** \_\_\_\_\_

**Telephone:** \_\_\_\_\_

**Fax:** \_\_\_\_\_

**Registered Mortgage  
Broker  
NYS Banking Department  
Loans Arranged with 3rd Party  
Lenders**

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**In the following disclosure, I=applicant; you=mortgage broker.**

You have advised me that you are authorized and prepared to assist me in securing financing. I understand that your services may include, but are not limited to the following:

- Counseling on available mortgage products;
- Counseling on general mortgage qualification procedures and requirements;
- Counseling on my financial capabilities;
- Assistance in obtaining information required to complete the mortgage application; and
- Assistance in processing the loan application, and in meeting conditions of the loan commitment, such as \_\_\_\_\_.

I hereby agree to engage you for the purpose of advising me about financing and to provide the services described above. This agreement will continue until the earlier of the declination of my loan request(s), the closing of my loan or my termination of your services.

I acknowledge that prior to paying any fees or completing any application(s), I was advised of the following:

- Your services are advisory and administrative in nature;
- You are not authorized to make mortgage loans or commitments; and
- You cannot guarantee acceptance into any particular loan program or specific loan terms or conditions.

**[INSTRUCTION - If you receive a bonus from the lender, you must give the**

borrower a description of this bonus as soon as you know what it will be. Do not confuse this bonus with premium pricing.]

- You may be eligible to receive a lender-paid bonus (cash or non-cash) if my loan is placed with a particular lender, and you will notify me if this occurs.

### **BROKER FEE:**

I understand that, as compensation for your services, you will be paid as checked below:

\_\_\_\_\_ The lender will pay you a fee of \_\_\_\_\_% of the loan amount or \$\_\_\_\_\_. The compensation you will receive from the lender for your services is included in the rate, points, fees and terms of the loan as quoted by the lender in its commitment. The maximum points paid, including premium pricing payable by the lender to you, shall not exceed \_\_\_\_\_( ) points

\_\_\_\_\_ The fee the lender will pay you is not known at this time but will be disclosed to me at the time of lock-in or when the rate is set. The maximum points paid, including premium pricing payable by the lender to you, shall not exceed \_\_\_\_\_ ( ) points.

\_\_\_\_\_ I will pay you, from the loan proceeds, a fee of \_\_\_\_\_% of the loan amount or \$\_\_\_\_\_. I authorize the lender's attorney to collect this fee from me at closing.

\_\_\_\_\_ I will pay you, directly, upon my signed acceptance of a commitment \_\_\_\_\_ or at closing, a fee of \_\_\_\_\_% of the loan amount or \$\_\_\_\_\_.

### **MORTGAGE BROKER FEE ACKNOWLEDGEMENT:**

I acknowledge that this mortgage broker fee will be paid to you. I further acknowledge that there is no other mortgage broker fee agreement between us.

I understand that I am required to pay the following fees at application: **[INSTRUCTION**  
- There can **only** be one application fee. If the broker charges an application fee, the lender cannot charge an application fee. The application fee may include the cost of processing the loan.]

- Application fee \$ \_\_\_\_\_
- Property appraisal fee \* \$ \_\_\_\_\_
- Credit report fee \* \$ \_\_\_\_\_

\* The property appraisal fee and the credit report fee are estimates of the actual cost of the services. Should the actual costs exceed the estimate, I understand that I will be billed and will pay the shortfall at or prior to closing.

**[INSTRUCTION - If the application fee is not refundable, you should disclose this fact to the consumer in the space designated for the description of when the application fee is refundable. If the application fee is refundable under certain circumstances, you should describe those circumstances in the space designated for the description of when the application fee is refundable.]**

- The application fee is refundable if \_\_\_\_\_.
- The credit report and appraisal fees are non-refundable except that amounts collected in excess of the actual cost will be refunded. If the credit report and appraisal have not been done, the fees will be refunded in full.

### **PROCESSING FEE:**

Processing Fee: \$ \_\_\_\_\_

**[INSTRUCTION: If the application fee does not include the cost of processing the loan, there may be a separate processing fee that cannot be paid at application. There can only be one processing fee. If the broker charges a processing fee, the lender cannot charge a processing fee. The application fee and the processing fee may be shared between bankers and brokers provided it is properly disclosed.]**

### **PREPAYMENT PENALTIES:**

I understand that certain mortgage products impose a prepayment penalty on the borrower. You will disclose the amount of, or the formula for calculating, the prepayment penalty, if any, and the terms of the prepayment penalty, if any, as soon as you know them.

### **APPLICATION QUESTIONS:**

I understand that I may address questions or comments about my application to \_\_\_\_\_ at \_\_\_\_\_. If I live more than 50 miles from the office at which my file is being processed, I may call you at toll-free at 1- \_\_\_\_\_, or if unavailable, I may call you collect at 1- \_\_\_\_\_.

**[INSTRUCTION - The clauses set forth below are optional clauses. The applicable clause(s) should be included only if one or more of the clauses are applicable to the terms of the Fee Agreement. You should fill in any required information.]**

**DESIGNATED LENDERS:**

- I understand that you place loans primarily with three or fewer lenders as designated below:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

**PRIVATE LENDERS:**

- This loan will be placed with a private lender that is neither an exempt organization nor licensed pursuant to Article 12-D of the Banking Law. Therefore, certain consumer protections and lender disclosures required by New York law and regulations do not apply to the loan. A balloon mortgage placed with a private lender need not have a term of at least three (3) years.

**DIVISION OF FEES:**

- The fees received by you are being divided between you and \_\_\_\_\_. You shall receive a fee of \$\_\_\_\_\_ or a good faith estimate of \$\_\_\_\_\_ and \_\_\_\_\_ shall receive a fee of \$\_\_\_\_\_ or a good faith estimate of \$\_\_\_\_\_.

**[INSTRUCTION - The following statement must be included, and the Pre-Application Disclosure and Fee Agreement must be signed and dated by the applicant(s).]**

By signing below, I acknowledge receipt of a copy of this pre-application disclosure and fee agreement.

\*\* Applicant \_\_\_\_\_ Date \_\_\_\_\_  
Signature

\*\* Applicant \_\_\_\_\_ Date \_\_\_\_\_  
Signature

Interviewer \_\_\_\_\_ Date \_\_\_\_\_  
Signature

Interviewer Name & Title \_\_\_\_\_

\*\* Do not sign this form if spaces are left blank.