

Compensation Agreement Effective Date: _____

The Broker Compensation Agreement (“Agreement”) is in effect for all loan applications submitted on or after the date entered above until a change with a new Agreement is received and approved by the Client Administration department of Carrington Mortgage Services, LLC (CMS). For any change, you may submit a new Agreement no less than sixty (60) days from the last plan change. Please send a completed Agreement to our Client Administration department at ClientAdministration@carringtonms.com. Requests to change the current Lender Paid plan will go into effect on the later of the above Compensation Agreement Effective Date or the first business day after receipt and approval by Carrington.

COMPENSATION ELECTIONS

CMS is currently offering the below for Lender Paid compensation plans. Please select a compensation plan best suited for your business. Consider your overhead costs and other compensation factors when selecting the appropriate plan.

- 1) Please select from one of the available compensation percentages*:

<input type="checkbox"/> 1.00%	<input type="checkbox"/> 1.25%	<input type="checkbox"/> 1.50%	<input type="checkbox"/> 1.75%	<input type="checkbox"/> 2.00%	<input type="checkbox"/> 2.25%	<input type="checkbox"/> 2.50%	<input type="checkbox"/> 2.75%
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* Percentage of Total Loan Amount.

- 2) In addition to the compensation based on the percentage of Total Loan Amount, you may request an additional flat fee of \$695 for plan percentages of 2.5% or less. **Check this box if you wish to be paid the additional flat fee:**
- 3) To select a minimum and/or maximum amount that will restrict the total amount of your compensation, please complete the section below. If no selection is made, the choice will default to “No Minimum/Maximum Amount”:

Minimum:	<input type="checkbox"/> No Minimum Amount	<input type="checkbox"/> \$1,500	<input type="checkbox"/> \$2,000	<input type="checkbox"/> \$2,500	<input type="checkbox"/> \$3,000
Maximum:	<input type="checkbox"/> No Maximum Amount	<input type="checkbox"/> \$10,000	<input type="checkbox"/> \$15,000	<input type="checkbox"/> \$22,500	

- 4) Broker is eligible for either Borrower or Lender Paid compensation. When broker elects Borrower Paid compensation, the total borrower paid compensation including broker fees, origination fees, processing fees, or other broker charged fees is capped at what the broker could earn for that loan under their elected lender paid compensation program.

ADDITIONAL PROVISIONS:

- I understand that this compensation selection applies to all loans submitted with Lender Paid broker compensation per the Broker Compensation Agreement then in effect.
- I understand that payment of compensation must be properly disclosed per all legal and regulatory requirements.
- I understand that I cannot collect compensation by any other means or from any other party in transactions with Lender Paid broker compensation.
- I will not steer or direct a consumer to consummate a certain loan transaction so that I will receive greater compensation.
- In order to ensure borrowers are not charged excessive or unfair fees in connection with a residential mortgage loan transaction, and to ensure my compensation is commensurate with services I perform, I cannot pass third party processing fees on to the borrower as a separate charge on Lender Paid transactions. If a third party processing fee is charged, I am not eligible for Lender Paid compensation that includes the additional \$695.00 Flat Fee.
- I understand that when compensation changes from Lender Paid to Borrower Paid in a single transaction, the Borrower will need to provide a statement requesting the change and the reason for the change.

I understand that as a Broker I am responsible for complying with all aspects of TILA, including but not limited to, compensation to my Loan Officers. If I select a Borrower Paid plan for a specific loan, I must compensate the Loan Officer on either a salary or hourly basis. Bonuses are allowed as long as they are not based on a specific loan. For example, bonuses are allowed to be paid on overall volume or quality. If I select a Lender Paid plan for a specific loan, I may compensate the Loan Officer on a fixed percentage of the loan amount with or without a fixed minimum or maximum dollar amount, but cannot vary with different levels or tiers of loan amounts. I may also split the Broker’s compensation with the Loan Officer as long as the amount is a fixed percentage or fixed dollar amount. I may not pay the Loan Officer on a loan’s terms or conditions or interest rate. I may not compensate a Loan Officer on factors that are considered proxies such as the credit score or debt-to-income ratio. If I have multiple branches with the same NMLS number, all Loan Officers of each branch must only be paid based on the compensation

agreement in place for their branch, and may not submit loans through another branch on a different compensation agreement. If I choose to submit one loan under a Borrower Paid plan and another loan under a Lender Paid plan, I must still pay each Loan Officer in accordance with TILA as stated above. I understand that I must have written compensation agreements in place with my Loan Officers.

These compensation agreements may change periodically but cannot change by loan.

I understand and acknowledge that Carrington Mortgage Services, LLC reserves the right to audit my compliance with this Agreement as it deems appropriate.

I represent and warrant that I have the authority to sign this document on behalf of the Company listed below:

Company Name

Company NMLS Number

Broker of Record Name and NMLS Number

Broker of Record Email Address

Broker's Signature

Date

If this Compensation Agreement is for a branch office of the broker and is separate from the plan for the Company, please complete the branch office location below.

Branch Street Address, City, State and Zip Code

Branch NMLS Number