

Instructions on Anti-Steering/Loan Options Safe Harbor Disclosure

Overview:

The Federal Truth-In-Lending Act and Regulation Z prohibit Loan Originators from directing or “steering” borrower(s) to consummate a loan based solely on the fact that the Loan Originator will receive greater compensation from the Lender in a particular transaction than in other transactions the Loan Originator offered or could have offered, unless the loan is in the borrower’s interest.

To comply with the “Anti-Steering” Rule, Stronghill Capital, LLC will require that Wholesale Loan Originators present a disclosure of loan options to the Borrower(s) for each type of loan in which the borrower expresses an interest.

An Anti-Steering Loan Options Disclosure is required for all transactions where a Wholesale Mortgage Loan Originator is compensated by someone other than the borrower (i.e. when borrower is selecting the lender-paid option). An Anti-Steering Loan Options Disclosure must be acknowledged by the borrower(s) and be presented to the borrower(s) at the time the Loan Originator has sufficient information to complete the disclosure.

Requirements:

The “Anti-Steering Safe Harbor Disclosure” must contain the following requirements:

1. The Disclosure must list all of the following loan options for which the borrower likely qualifies from a significant number of lenders with whom you regularly do business (e.g., three):
 - The loan with the lowest interest rate (“risky” features allowed)
 - The loan with the lowest interest rate without any “risky” or “negative” features, such as negative amortization, prepayment penalty, interest-only payments, balloon payment in the first seven years, demand feature, shared equity, or shared appreciation
 - The loan with the lowest total dollar amount for origination points or fees and discount points
2. The Disclosure must be accurate at the time it is given, which should be as soon as the originator has enough information to prepare it.
3. You must give a separate Disclosure for each type of loan in which your borrower expresses an interest. Your Disclosure must list three options for each loan type in which your borrower is interested.
4. One loan option may meet more than one disclosure requirement; for example, the loan with the lowest interest rate also may be the loan with the lowest interest rate without any risky features. However, we now require that the Anti-Steering Disclosure contain at a minimum, two (2) different options. In cases where one loan is used to satisfy two of the three disclosure requirements, you may be required to provide supporting documentation to verify that the single option met both of those requirements.
5. The Disclosure must be signed by the borrower(s).

Form Completion Instructions

Anti-Steering/Loan Options Safe Harbor Disclosure

1

Broker: _____ Company Name: _____

Borrower(s): _____

Property Address: _____

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	_____ %	\$ _____
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	_____ %	\$ _____
You are applying for a loan with the following terms		_____ %	\$ _____

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.

4

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

Instructions

1. Complete Information at top of Form
2. Type of Transaction should be selected & must match the type of loan being submitted to Stronghill.
3. Interest rate and total fees must be completed for each of the three loan options, as well as the loan being applied for. These fields may not be left blank or N/A.

Option 1: Must reflect the lowest rate of the three options.

Option 3: Must reflect the lowest points and fees of the three options.

4. The Broker and all borrower(s) are required to sign and date the disclosure.

Must be signed *at least* one business day prior to the date the note is signed.

- **Instructions Intended for Lender Use Only.** Send only the 1-Page disclosure form to borrower(s).

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Borrower(s): _____

Property Address: _____

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	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
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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	_____ %	\$ _____
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<i>You are applying for a loan with the following terms</i>		_____ %	\$ _____

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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