



APP+5 Checklist and Contract

Notice to Prospective Borrower(s): Read this contract carefully so that you make an informed choice. You are entitled to a copy of this contract. Signing this contract does not obligate you to obtain a mortgage loan, nor does it constitute mortgage loan approval.

The Bank you are working with has a working relationship with Flanagan State Bank Mortgage Department. They will be working together to complete your mortgage loan. Per the current laws regulating mortgages, each company must complete a certain amount of work on your loan to earn the fees that are charged. The compensation charged will be competitive to what you would normally be charged in your area. The benefit to you is the ability to offer you more loan options for financing your mortgage.

This contract outlines the fees charged by _____ (originating bank) and the services they provide to earn the compensation being charged.

This contract is between:

Name(s) of borrower(s): _____
And _____ Originating
Company located at _____.

The Lender, _____, will be authorized by the origination company to work directly with the borrower(s) to complete the loan once the initial steps have been completed by Originating Company. The Lender has authorized the above listed Originating Company to engage the above listed borrower and advise them on various loan products available to them through the Lender.

What Services must be performed by the Originating Company for them to be compensated? The Originating Company must perform counseling, education and consulting type of services. They must take the application and complete 5 additional items in the checklist below to satisfy the regulations allowing for the compensation showing in this contract to be paid to them.

1. Application (FORM 1003) completed in detail (required)
2. _____ Educate prospective borrowers on the home buying process
3. _____ Educate prospective borrowers on different financing options
4. _____ Complete Initial disclosures with borrower(s) (provided by Lender)
5. _____ Collect income documentation, assets and basic documents from borrower
6. _____ Request Appraisal
7. _____ Request title commitment
8. _____ Attend Closing
9. _____ Analyze the borrower's income and debt
10. _____ Ordering verifications of employment and deposit
11. _____ Order mortgage and loan verifications
12. _____ Order inspections or engineering reports
13. _____ Counsel borrower on credit problems
14. _____ Request flood certificate



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Who do I represent?

I/We represent you. We are your agent and owe you a fiduciary duty. I owe all others a duty of fair and honest dealing. I will strive to insure you get the best loan terms possible that meet your loan objectives. I will receive a fee for my services to you through the mortgage loan from the lender (Flanagan State Bank).

What will I be paid and how the fees may work:

The Lender, Flanagan State Bank, may charge an origination fee to you. The Origination section of the Loan Estimate may include an origination fee, discount points or underwriting fee payable to Flanagan State Bank. In turn, this allows the Originating Lender to receive an origination fee not to exceed 1.00%. This fee is payable to the Originating Lender from Flanagan State Bank. No other fees may be charged by the Originating Lender and therefore there will not be any duplication of fees. The fees charged must be reasonable based on the services provided and consistent to meet Equal Credit Opportunity Act regulations.

For arranging your loan of up to \$ _____ at an interest rate of _____ %** and term of _____ years on a _____ (fixed/adjustable)

My total compensation will be (1.00%) or \$ _____

Contract Terms:

The financing request has started as either a: Prequalification OR Application (circle one).

Prequalification Date: _____

Originating Company – Loan Officer Signature & Date

_____ Date _____

Borrower(s) Signature & Date:

_____ Date _____

_____ Date _____

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Application Date: _____

Property Address: _____

Please Note: A normal application has 5 components.

1. Taking the loan application and signing the initial disclosure with the borrower
2. Processing it
3. Underwriting it
4. Closing it
5. Funding the mortgage

By signing this portion of the form, you are acknowledging the agreement that you will complete step 1 plus 5 other tasks in the loan to earn the fee due to your organization. If any of these 5 items are not completed, this contract will be null and void.

Flanagan State Bank will be the final originator of this transaction. The borrower(s) will be working directly with Flanagan State Bank and their staff to complete the loan process. You will be able to maintain contact with the borrower in an advisory role and not an originating role.

Originating Company – Loan Officer Signature & Date

_____ Date _____

Flanagan State Bank Representative Signature & Date

_____ Date _____

By signing below, the Originating Company further certifies that the information in this contract is accurate and complies with all provisions of the Real Estate Settlement Procedures Act and the Truth In Lending Reg Z.

Originating Company – Loan Officer Signature & Date

_____ Date _____

You agree to the terms of this contract.

Borrower(s) Signature & Date:

_____ Date _____

_____ Date _____