

Anti-Steering



Effective immediately, please use the attached Anti-Steering disclosure on all lender-paid transactions going forward.

There is also a 2nd attachment with instructions on how to complete the Anti-Steering form as well.

This Anti-Steering disclosure is a required document on all lender paid transactions that shows the other available rates and programs that were available to the borrower at the time of locking their rate. It shows the costs of those rates and programs as they compare to the rate the borrower has locked. It is designed to make sure the loan officer has not deliberately 'steered' the borrower toward a loan that is less advantageous to the borrower.

Remember those rates and programs may vary from the lowest rate with the most costs to a possible adjustable rate which may not be what the borrower wished to lock in to. They should never show a rate or program with negative amortization or balloon payments.

Items to be looking for on the Anti-Steering disclosure to insure acceptance are:

- The Anti-Steering Options Disclosure should be signed by all borrowers and disclosed at least 1 business day prior to closing.
- The origination fees or discount point description must be in dollar (\$) amounts and NOT JUST LISTED AS A %.
- The "loan option with lowest interest rate" should have a lower rate than the other options.
- All 3 loan options cannot be exactly the same.
- There are 3 loan options provided to the borrower on the anti-steering disclosure form as LOWEST INTEREST RATE; LOWEST ORIGINATION COSTS; LOWEST INTEREST RATE WITHOUT RISKY FEATURES

Guidelines subject to change without notice.

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Helpful tips for ensuring accurate Anti-Steering Loan Options Disclosures

Anti-Steering Loan Options Disclosure

Loan Number: _____

Borrower Name: _____

Enter loan number and borrower name to expedite processing.

Dear Borrower,

You have applied for a mortgage loan through (mortgage originator name). To ensure you, the borrower (s), has 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 the 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, your mortgage broker has obtained loan options from a significant number of the creditors with which your mortgage broker regularly does business. Your mortgage broker has 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
1 <input type="checkbox"/> Fixed Rate <input type="checkbox"/> Adjustable Rate			
Option 1	Loan with the lowest Interest Rate	2 _____%	6 \$ _____
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.	3 _____%	7 \$ _____
Option 3	Loan with the lowest total dollar amount for origination points or fees and discount points	4 _____%	8 \$ _____
You are applying for a loan with the following terms		5 _____%	9 \$ _____

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 loan commitment. The interest rate and fees described through 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 your mortgage broker to lock your loan. 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 your mortgage broker to lock your loan, your mortgage broker 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.

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

The loan file must contain all Anti-Steering Loan Options disclosure with a transaction type (Field 1) that matches the type of loan being purchased.

Option 1 as listed on the disclosure must contact the lowest interest rate.

Option 3 must contain the lowest points and fees of any of the options.

All borrowers are required to sign and date the disclosure.

Borrower signature date is required to evidence timing of the disclosure and must be at least one business day prior to closing*.

The interest rate and total fees must be completed for each of the three loan options. These fields may not be left blank; total fees must be represented in dollar amounts, rather than percentages.

Fields 2,3, and 4 may not be zero or a negative number.

Fields 6,7,8 are required and may be zero or a negative number, if applicable.

Fields 5 and 9 should reflect the loan the borrower applied for. These fields should be accurate at the time the disclosure is made.

It is acceptable for fields 5 and 9 to vary from the final loan rate and fees.

The broker information is recommended, but not required.