



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 institution you are working with has a working relationship with Flanagan State Bank Mortgage Department. The Banks will be working together to consider your application for a mortgage loan and, if that application is granted, to complete your mortgage loan. Per the current laws regulating mortgages, each institution 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 Broker”) and the services it provides to earn the compensation being charged.

This contract is between:

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

The Lender, Flanagan State Bank, will be authorized by Originating Bank to work directly with you to evaluate your loan application and to complete the loan once the initial steps have been completed by Originating Bank. The Lender has authorized Originating Bank to engage you and advise you about various loan products available to you through the Lender.

Originating Bank must perform counseling, education and consulting services in order to be compensated. Originating Bank must take the application and complete at least 5 additional items in the checklist below in order 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 does Originating Broker represent?

The originating Bank represents you. The originating Bank is your agent and owes you a fiduciary duty. As an agent of Originating Bank, I owe all others a duty of fair and honest dealing. I will strive to ensure you get the best loan terms possible that meet your loan objectives. Originating Bank will charge you a fee for my services but I will not receive any fee for your mortgage loan from the Lender.

What Originating Broker will be paid :

This allows the Originating Bank to charge an origination fee not to exceed 1%. No other fees may be charged by Originating Bank. The fees charged must be reasonable based on the services provided and consistent to meet Equal Credit Opportunity Act regulations.

Originating Broker’s total compensation will be (1%) or \$_____

Contract term: This contract will expire 3 months from date of signatures unless extended.

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

Originating Broker – Loan Officer Signature & Date

_____ Date_____

You agree to the terms of this contract.

Borrower(s) Signature & Date:

_____ Date_____

_____ Date_____

Originating Broker and Lender Addendum

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



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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 Broker – Loan Officer Signature & Date

_____ Date _____

Flanagan State Bank Representative Signature & Date

_____ Date _____