



HOW TO COMPLETE THE ANTI-STEERING LOAN OPTIONS DISCLOSURE

*** Hometown Equity Mortgage is requiring this form to be provided as a Prior to Doc condition (T09) and use of this form is effective immediately

The loan file must contain an Anti-Steering Loan Options disclosure with a transaction type (Field 1) that matches the type of loan the borrower applied for.

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

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

*** Option 1 should be the lowest rate on the ratesheet while Option 3 should be the highest rate on the ratesheet (for the same program) ***

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.

Anti-Steering Loan Options Disclosure

Loan Number or Property Address: _____ Borrower Name: _____

Dear Borrower,

You have applied for a mortgage loan through _____. 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 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 |
|--|---------------|--|
| <input checked="" 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 \$ _____ |
| <input type="checkbox"/> Broker acknowledges by initialing this box that Options 1 and 2 are the same because broker does not offer products with the features described in Option 2 above. | | |
| 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 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 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 _____

Borrower Name _____ Borrower Signature _____ Date _____

Borrower Name _____ Borrower Signature _____ Date _____

Enter loan number and borrower name to expedite processing.

The interest rate and total fees must be completed for each of the three loan options. These fields may not be left blank or N/A.

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

Fields 6, 7 and 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.

*** Rate in Field 5 must be in between rates in Field 2 and Field 4 ***

*** Dollar amount in Field 9 must be in between dollar amounts in Field 6 and Field 8 ***

*** Fields 6, 7 and 8 must be calculated using the corresponding rate for that loan Option. The figures should vary and be calculated using the same method to calculate Box A of the GFE ***

