



On January 10, 2014 the CFPB regulations regarding QM and ATR take effect. In order for EMM Wholesale Lending to comply with the compensation requirements, ALL Brokers are required to complete an updated EMM Wholesale Lending Compensation Agreement with the Affiliated Business Certification.

In the interim, EMM Wholesale Lending will default broker compensation to what is currently on file, except for any broker whose elected compensation which is greater than 2.500%. In these instances, ALL brokers will be defaulted to 2.500% until such time EMM Wholesale Lending receives an updated EMM Wholesale Lending Compensation Agreement.

EMM Wholesale Lending is lowering the maximum lender paid compensation amount allowed under its EMM Wholesale Lending Compensation Agreements to better align with the points and fees thresholds. Currently EMM Wholesale Lending allows up to 3.000% on a compensation agreement. Effective January 10, 2014 the maximum compensation will be lowered to 2.750%. EMM Wholesale Lending will continue to offer a compensation range from 1.000% to 2.750% (above 2.500% without EMM Lender Fee ONLY) in increments of 0.125% with a maximum broker compensation amount of \$15,000.00.

At lender paid compensation levels of 2.500% or below, the EMM Wholesale Lending Fee must be charged to the borrower. In instances where the fees and points calculation exceeds the QM cap of 3.00%, EMM Wholesale Lending has an exception process to allow our brokers to reduce the Lender fee to zero (\$0.00) through the use of published Loan Level Price Adjustments (LLPAs) on our rate sheets. EMM will not reduce the fee in increments; it must be reduced in its entirety.

Beginning Friday January 10th, the following changes will be implemented:

- EMM Wholesale Lending's pricing engine will test the 3% fee threshold at the time a rate lock is attempted. If the loan fails this test, the system will not allow a rate lock. Should this occur, please contact your local EMM Lock Desk for assistance.
- EMM Wholesale Lending will be updating our pricing engine to account for your Lender Compensation selection. Beginning with locks effective 1/10/14 the rate sheet will continue to reflect the base pricing as it has in the past. However, our pricing/lock engine will now reflect a net price (the price to the borrower, NET of your respective broker compensation).

IMPORTANT: The compensation selected will apply to the entire broker client company regardless of the office location, and will be applied to all broker loan transactions originated during this election period.

Changes to compensation may be made every 30 days commencing of the first day of the month provided the updated Wholesale Lending Compensation Agreement and Affiliated Business Certification are received at least five business days prior to month end. The change will be in effect on the first day of the following month.

Updated Wholesale Lending Compensation Agreement and Affiliated Business Certifications should be sent to brokeradmin@emmlans.com



EMM Wholesale Lending Compensation Agreement

Last Revised January 8, 2014

SelectOptionBelow:

Loans accepted by EMM Wholesale Lending, a division of E Mortgage Management, LLC, must meet all regulatory requirements in effect on the date of the loan application (1003) including, but not limited to, Regulation Z, Truth-In-Lending, ATR, QM, broker compensation and anti-steering requirements.

Choosing your compensation

- When registering a loan, choose whether it will be borrower-paid or lender-paid.
- For lender-paid transactions, EMM Wholesale Lending pays you based upon the selection your company made on the Lender-Paid Compensation Election portion of this agreement that was in effect on the loan application (1003) date.
- When lender-paid compensation is being received, no compensation payments from the consumer are allowed.
- EMM Wholesale Lending will not accept any loan with borrower-paid compensation greater than the corresponding selection made under the Lender-Paid Compensation Election of this same agreement, in effect at the 1003 loan application date.

Lender-Paid Compensation Election Form

- Complete the Lender-Paid Compensation Election form (page 2 of this document)
- The form must be signed by an authorized representative from the Broker's company headquarters or main office.
- Signing the Lender-Paid Compensation Election form indicates agreement to comply with the anti-steering and loan officer compensation rules outlined in Regulation Z.
- Return the signed election form and Affiliated Business Certification to brokeradmin@emmloans.com
- If you are currently approved with EMM Wholesale Lending and requesting a change to your compensation level, send the election form directly to your Account Executive.
- If you choose Borrower paid, it must be less than or equal to your Lender Compensation
- Please contact your EMM account executive with any questions.

This document is intended for use by E Mortgage Management, LLC and its business partners only. It may not be disseminated without express, written consent of E Mortgage Management, LLC.

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NMLS#2926



EMM Wholesale Lending Compensation Agreement

Last Revised April, 2016

Select ONE		
<input type="checkbox"/>	Initial Election	<input type="checkbox"/>
<input type="checkbox"/>		Change

Select one of the compensation levels below. The compensation level will be effective for all loans with lender-paid compensation for a minimum of 30 calendar days.

Please Note:

- Elections are a percentage of the loan amount. Maximum compensation for any loan is capped at \$ 15,000.00
- The floor will be set at \$ 2750.00 for all loans under \$ 100,000.00
- Borrower Paid compensation may never exceed your Lender Paid Selection
- The compensation level selected applies to all offices of your company originating loans with EMM Wholesale Lending, and will remain in effect a minimum of 30 days from effective date until changed by receipt of a Subsequent Lender Paid Compensation election form.
- EMM Wholesale Lending reserves the right to adjust the selected compensation on a prospective basis upon prior written notification to the Broker.

Circle ONE

- | | | | | | | |
|--------|---------|--------|--------|--------|--------|--------|
| 1.000% | 1.125% | 1.250% | 1.375% | 1.500% | 1.625% | 1.750% |
| 2.000% | 2.125% | 2.250% | 2.375% | 2.500% | | |
| 2.625% | 2.7500% | | | | | |

By signing below, the undersigned is certifying the following:

Relative compensation levels selected above are appropriate given the additional time spent by the Broker to originate them
 The Broker will comply with the anti-steering and loan officer compensation rules outlined in Regulation Z as it relates to any loan originated by the broker and to EMM Wholesale Lending
 The Signer has the requisite authority to sign this form on behalf of the Broker listed below

Company: _____ By: _____

Date: _____ Name/Title: _____