



GMFS MORTGAGE

CHANGING LIVES

Addendum to GMFS Broker Agreement

One Time Close Construction Loan Submissions

I, _____, as a duly authorized representative of _____ (“Loan Originator”) have elected to submit loans to GMFS, LLC (“Lender”) under Lender’s One Time Close Construction Loan product (“OTC”). Due to the nature of OTC loans, disclosures will be handled, and compensation will be paid to Loan Originator under the following terms:

Disclosures:

1. GMFS will issue all initial and subsequent disclosures on all OTC loan submissions.
2. Loan Originator is prohibited from issuing disclosures on the OTC product.
3. Loan Originator agrees to provide the Lender with any information necessary in order to produce all required disclosures, which includes information concerning any affiliated companies whereby Loan Originator company has 20% or more ownership or any principal(s) has 1% or more ownership interest.
4. As the Loan Originator, I understand my obligation to submit all loan applications to Lender within two (2) business days of the application date to allow sufficient time for Lender to issue all required disclosures by the third (3rd) business day after the application date. The application date is defined as the date the consumer provides, or the Loan Originator received, the applicant’s name, social security number, property address, loan amount, estimated property value, and income (whether verified or not). Loan Originator means either the loan originator company, or an individual loan originator who takes or receives an application.
5. Loan Originator must notify Lender immediately of any change in circumstance that may require subsequent disclosures, no later than two (2) business days following the date the changed circumstance occurred, to allow Lender sufficient time to issue subsequent disclosures. Lender understands and acknowledges that Lender reserves the right to make the final determination whether the reason for any changed circumstance submitted by Loan Originator is value; whether any fee increases as a result of the changed circumstance

are valid; and whether the timing requirements have been met. Lender will notify the Loan Originator if any changed circumstance request is non-compliant.

6. For purposes of disclosure delivery timeliness, Loan Originator agrees to adhere to GMFS's business day calendar, which excludes Saturdays, Sundays and legal federal holidays Lender is closed for business. Please note that GMFS is not closed on all published legal federal holidays and therefore, Loan Originator is responsible for monitoring GMFS's holiday schedule.
7. Lender will disclose each loan reflecting GMFS, LLC as the Lender, the Loan Originator Company as the Broker, and will use the Lender's published fee schedule, and settlement service provider's list.
8. Lender reserves the right to reject any loan submission that does not comply with the foregoing.

Compensation:

1. All compensation payments from Lender are paid to the Loan Originator Company. The Loan Originator Company is responsible for establishing its own compensation plans with its sponsored individual Loan Originators.
2. Loan Originator company may choose either borrower paid or lender paid compensation, so long as the compensation selected adheres to the following requirements;
 - a. Borrower Paid: Borrower paid compensation must be disclosed on the initial Loan Estimate and Closing Disclosure at the time of closing of the construction loan. Borrower paid compensation will be limited to an amount not to exceed 1.5% of the loan amount, as additional fees may apply at the time of loan modification and to allow room for the borrower to pay any applicable non-bona fide discount points. Once borrower paid compensation is chosen, compensation cannot be changed at modification to lender paid. All compensation is disbursed to Loan Originator Company at the time the loan is closed. However, in the event the loan amount changes at the time of modification, any compensation collected in the form a points, or a percentage of the loan amount, will be adjusted at the time of modification. If the loan amount decreased, the Loan Originator Company must refund any excess collected at modification. If the loan amount increases, any additional amounts owed by borrower will be collected by Lender and disbursed to Loan Originator Company at the time of Modification.
 - b. Lender paid compensation will be disclosed on Closing Disclosure at the construction loans modifies to its permanent status, as the loan amount may change and compensation is set based on the date the rate is locked. The rate is locked at modification and therefore, the compensation is paid by Lender the Loan Origination Company at the time of modification.
3. Compensation will be paid at the time the loan is modified to its permanent, closed-end, loan program.

4. Compensation will be paid based on the final loan amount reflected in the modified closed-end Note, which will reflect either increases to the loan amount, as a result of cost overruns or changes to plans and specifications, or decreases to the loan amount as a result of a principal balance reduction made, for example, from unused funds in the construction loan contingency reserve.
5. The amount of compensation paid will be based on the Loan Originator's compensation plan in effect at the time the interest rate is set in connection with the modified loan terms, and will be disclosed on the final Closing Disclosure issued to the consumer at least three (3) business days prior to the date the modification will, or is expected to occur, as permitted under Regulation Z, §1026.17(c)(6)(ii).
6. The Loan Originator compensation rules under Regulation Z §1026.36(b) apply to closed-end consumer credit transactions secured by a dwelling. During the construction phase of the OTC product, the loan is open-ended, as draws are made increasing the loan amount at each draw. Additionally, during the construction phase, the property securing the loan is not a dwelling, until construction is complete and a certificate of occupancy has been issued. Therefore, in the event a certificate of occupancy is not issued and/or, the loan does not, or cannot, modify for any reason to its closed-end permanent status under the modified Note, the Loan Originator Company is not eligible for compensation. Any borrower paid compensation paid to loan originator must be refunded to borrower.
7. GMFS must include both borrower paid and lender paid compensation in the QM points and fees calculation, along with modification related fees, at the time of modification. In a rising interest rate environment, the APOR may not yet reflect current market rates. Consequently, borrower paid compensation may be reduced in order to meet the applicable QM points and fees threshold.
8. Once the OTC loan is modified, the early payoff ("EPO") policy, in effect as of the date of the modified Note, will apply.

The undersigned acknowledges that he/she has read the disclosure and compensation provisions herein and agrees to comply with same. The undersigned further acknowledges that failure to comply may subject Loan Originator to disciplinary action including, verbal reminders of requirements, mandatory training conducted by Lender, temporary or permanent suspension from Lender's OTC program.

Printed Name

Signature

Date