



Loan Originator Compensation Policy and Agreement

This policy is presented to and acknowledged by, known as _____ ("Partner") doing business with JMAC Lending, Inc. ("JMAC") as of March 31, 2011. This Loan Originator Compensation Policy and Agreement ("Agreement") is effective immediately for all loan application packages received on April 1, 2011.

WHEREAS, the terms and conditions of this Policy apply to all Covered Transactions received on or after April 1, 2011.

WHEREAS, it is understood by the parties to this Agreement that it is the policy of JMAC to fully comply with the Compensation Rule as of the April 1, 2011, which means JMAC will not pay Compensation to a Loan Originator based on loan terms and conditions nor will JMAC pay Compensation to a Partner if they have received Compensation from the borrower.

WHEREAS, Partner will be given a plan to execute that will outline the Compensation terms allowable under the terms of this Agreement. The Compensation Plan is attached as exhibit A.

NOW, THEREFORE, in consideration of the promises and mutual agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Partner and JMAC agree as follows:

1. **Scope.** Partner will prepare for JMAC completed loan packages for Covered Transactions. Nothing in this Agreement creates an obligation of JMAC to accept or approve the loan applications as presented and will be compensated according to the current terms of the Agreement.

2. **Definitions:**

Compensation: Fees the loan originator retains or keeps, regardless of the label or name given or associated with the fee. This also includes salaries, wages, commissions, and any financial or similar incentive, including annual or periodic bonuses and awards of merchandise, services, trips or similar prizes.

Compensation Plan: The lender paid broker compensation plan that Partner is required to sign that will be issued and updated on a regular basis that will designate pricing based on a tier structure.

Compensation Rule: The final rule issued by the Federal Reserve Board ("FRB") on September 24, 2010 at 75 Fed. Reg. 185, amending Regulation Z, implementing Truth in Lending ("TILA").

Covered Transaction: Closed-end consumer credit transaction secured by a dwelling, including closed-end reverse mortgage transactions.

Loan Originator: A person, with respect to a particular transaction, who for compensation or other monetary gain, or in expectation of compensation or other monetary gain, arranges,

negotiates, or otherwise obtains an extension of consumer credit for another person. This includes payments to both a natural person and an entity.

Steering: Advising, counseling, or otherwise influencing a consumer to accept a particular Covered Transaction.

3. Representations and Warranties.

A. **Compensation:** Partner represents and warrants that it is in compliance with the Compensation Rule. For each mortgage loan and loan applications submitted to JMAC, all compensation was paid by one source, in accordance with the Compensation Rule, meaning that the Partner was either paid by the borrower or the lender. Partner did not and shall not receive Compensation based on the terms or conditions of a Covered Transaction, other than as permitted by the Compensation Rule.

B. **Steering:** The Partner represents and warrants that it did not steer the borrower to consummate a transaction that was not in the best interest of the borrower.

C. **Policies and Procedures:** The Partner represents and warrants that it has implemented the appropriate policies and procedures designed to ensure compliance with all aspects of the Compensation Rule and any revisions to the Policies and Procedures shall be done in compliance with the Compensation Rule.

4. **Record Retention.** Partner shall retain all documentation regarding Covered Transactions between itself and JMAC for a period of no less than two (2) years or longer as required by applicable state laws.

5. **Annual Attestation of Compliance.** As part of the recertification process with JMAC, Partner shall provide JMAC with a written attestation of its compliance with all aspects of the Compensation Rule.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed.

PARTNER:
Company: _____

With Its Principal Place of Business As:

By: _____

Its: _____

Date: _____

JMAC Lending, Inc.

By: _____

Its: _____

Date: _____