

	Lender Paid	Borrower Paid
Who pays	Reliant Funding	Borrower, out of cash proceeds. Seller concessions may also be used to pay a portion or all of broker compensation.
Amount	Fixed in advance. The Lender Paid comp plan used on a particular loan will be the plan in effect at time the application was received.	Negotiated between the broker and the borrower.
May broker pay 3 rd party fees	No	Yes
May broker provide RESPA cures	No	Yes
Lender Credit to Borrower (YSP Rebate)	This is the final price of the rate. YSP rebate may be used by the borrower to pay for 3 rd party and Reliant fees.	This is the final price of the rate. YSP rebate may be used by the borrower to cover 3 rd party fees and Reliant Fee, but NOT loan originator/broker compensation.
Excess lender credit/YSP	Borrower may not receive excess Lender Credit in cash at closing. Treatment of excess Lender Credit options may include: <ol style="list-style-type: none"> 1. reduce seller contribution on a purchase so all lender credits are used 2. apply principal reduction 3. require an interest rate reduction 	Borrower may not receive excess Lender Credit in cash at close. Treatment of excess Lender Credit options may include: <ol style="list-style-type: none"> 1. reduce seller contribution on a purchase so all lender credits are used 2. apply principal reduction 3. require an interest rate reduction
NOO/Investment	NOO/Investment properties are exempt from the LO Comp. rules	NOO/Investment properties are exempt from the LO Comp. rules
Seller Concessions	May be used for 3 rd party and Reliant fees	May be used for broker compensation, 3 rd party and Reliant fees
Contract/Processing Fee – must be a non-affiliated 3rd party	Allowed for 3 rd party (non-affiliated) processing only. Must be payable to 3 rd party, not the broker. Invoice and a copy of the MLO license for 3 rd party processor must be submitted to Reliant. A copy of the invoice must go to the settlement agent.	Allowed for 3 rd party (non-affiliated) processing only. Must be payable to a 3 rd party, not the broker. Invoice and a copy of the MLO license for 3 rd party processor must be submitted to Reliant. A copy of the invoice must go to the settlement agent.
What goes in GFE – Block 2/HUD line 802	If locked, the final price of the rate (whether credit or charge) plus the Lender Paid comp (credit). HUD Line 802 – HUD Addendum should itemize Lender Paid comp and Lender Credit to Borrower	If locked, the final price of the rate (whether credit or charge).
GFE – Block 1	Block 1 MUST cover the Lender Paid comp for broker AND our lender fees. If the loan amount changes, the Lender Paid comp plan in effect at application, which could include a floor and ceiling amount, must be used.	Block 1 include all broker compensation and our lender fees. The dollar amount in Block 1 may increase ONLY in relation to an increase in loan amount; although, the percentage of compensation may not increase.
APR Fee	No	Yes. This will be disclosed on the itemization of amount financed.
Discount Points	If locked and the final price of the rate is a charge (discount points or discount cost to Borrower), the entire amount will be an APR fee and disclosed on the itemization of amount financed.	If locked, and the final price of the rate is a charge (discount points or discount cost to Borrower), the entire amount will be an APR fee and disclosed on the itemization of amount financed.

YSP/Premium Pricing:

1. May YSP/Premium Pricing be used to pay 3rd party closing costs?
A. Yes, both Borrower Paid and Lender Paid.
2. May YSP/Premium Pricing be used to cover fees a creditor charges?
A. Yes, for both Borrower Paid and Lender Paid.
3. May YSP/Premium Pricing be used to cover recurring costs, including escrows?
A. Yes, both Borrower Paid and Lender Paid.
4. May YSP/Premium Pricing be used to cover broker compensation on Borrower Paid transactions?
A. No. When a loan is locked, the final price for the rate, if above par, may be used only for lender and 3rd party fees.

Seller Concessions:

1. May seller concessions be used to pay 3rd party closing costs?
A. Yes
2. May seller concessions be used to cover all or any portion of the broker's compensation?
A. Borrower paid – yes; Lender paid - no
3. May seller concessions be used to cover fees a creditor charges?
A. Yes

Lender Paid Compensation:

1. Is Lender Paid compensation an APR fee?
A. No
2. May a broker still pay for an appraisal if they are being compensated under the Lender Paid comp plan?
A. The broker may pay for the appraisal when it is ordered, but MUST be reimbursed by the borrower at closing if the broker is being compensating by us
3. May the broker charge a broker processing fee to the borrower under the Lender Paid comp plan?
A. No

Borrower Paid Compensation:

1. May the borrower pay the brokers compensation by rolling the amount into the loan amount on a refinance?
A. Yes. Borrowers may pay the broker's compensation out of loan proceeds
2. Is Borrower Paid compensation an APR fee?
A. Yes

3. May block 1 of the GFE increase if a broker moves a loan from another lender to Reliant Funding and the broker's compensation plan with Reliant Funding is greater than what was disclosed in block 1?
- A. No. Moving a loan from one lender to another lender is not considered a valid changed circumstance to allow block 1 to increase. If the Brokers Compensation plan with us is greater than what was previously disclosed in block 1, then the broker must choose Borrower Paid when locking in the loan with Reliant Funding.
- Remember:** The only time block 1 may increase is in direct relation to an increase in loan amount (the dollar amount may change, but the percentage of loan amount must remain the same).

MDIA Compliance

Fee Collection – RESPA and MDIA Compliance

We must confirm that no fees, other than a reasonable credit report fee, have been collected prior to the following:

- Borrower's receipt of the initial GFE and Borrower's Intent to Proceed
- Borrower's receipt of the early TIL. Use the following to determine compliance:
 - a. Early TIL signed – fees can be collected same day as signature date
 - b. Early TIL mailed – fees can be collected on the 4th business day after the Early TIL is generated