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## **Introduction - The Loan Originator**

In the vernacular of the business, "taking a loan application" is the loan application interview. The interview can be conducted in person, via mail, telefax, over the telephone or the internet. The purpose is to collect all of the information and documentation which will be required to obtain a loan approval. Note that a mortgage related application does not begin for disclosure timing purposes until there is a property. Then there are the forms.... lots of them and many different varieties from Lender to Lender. None, however, are as important for the processing of the loan as the Application form itself.

### **The Role of the Loan Officer**

The loan officer is the intermediary in the home financing process. The customer is introduced to the mortgage company by the loan officer. As such, the title of this position is also Originator, Representative, or Account Executive. More than anything else the loan officer is responsible for new business development. However, the loan officer is also the customer's advocate in the loan process and eventually is responsible for how the customer feels about their experience with Company Name.

## **Section 1 - Position Description**

### **Title**

Mortgage Banker, Loan Officer

### **Duties and Responsibilities**

The Loan Officer is the primary company representative to real estate community. Objective is to develop referral relationships among the professional community including realtors, homebuilders, accountants, attorneys, home improvement contractors, other lenders, credit unions, and community development agencies. This position facilitates individual applications, and acts as liaison between processing, underwriting, closing and the borrower. Duties and responsibilities include:

- Developing a specific client base
- Weekly distribution of rates and programs to clients
- Meet with Sales Managers, Agents to promote awareness of company products
- Prepare applicants for application by communicating company requirements prior to application interview.
- Assure complete application is submitted in compliance with company guidelines
- Correctly communicate lock-in of interest rates with borrower, company and investor/secondary marketing
- Perform weekly status checks on all cases in process and report progress to all interested parties
- Continuously update program specifications to maintain guidelines as current
- Participate in coordinating closings/settlements with borrowers/agents/title-escrow companies

### **Pre-requisite Experience**

B.A., B.S. and/or related industry experience either in financial sales or real estate. Loan Origination is an intensive, competitive, direct customer contact related field. Good organizational and communication skills are required. The first 6 months to 2 years require a large commitment to attracting and maintaining a customer base. Markets vary, but there are generally numerous competing lenders within any area. Loan Originators should be able to manage intense competition for business as well as the cyclical nature of seasonal business and interest rate fluctuations.

### **Compensation**

Loan Originator compensation is strictly commission based. Commission schedules are based on net fees. There is an enhancement for exceeding standard revenue or origination fee income, which is referred to as overage or gain.

### **Base Commission Schedule**

Fee Structure	Commission Rate
.75% of the loan amount for Conforming Loans (under \$417,000 as of 12/2006 – changes annually) .625% of the loan amount for Jumbo Loans (over \$417,000)	30% of the fee
Amount in excess of requirement	40% of the fee

### **Overage/Gain**

When exceeding the revenue requirement on commissions we must assure that there is no evidence of discriminatory pricing practices. Gains are monitored carefully. Usually loans referred by established sources are cases where revenue is greater. New referral sources may receive incentive pricing. Borrowers with adverse situations with respect to credit income, asset or property should not be charged gain in excess of 3% of the loan. Typically gain is split equally between Company Name and the loan originator.

### **Draws Against Commissions**

Dependent on the loan originator's performance, Company Name may offer periodic draws against commissions earned. A draw is simply an accrued interest free loan that is repaid when the commissions are actually paid. Ordinarily this doesn't exceed \$2,000.00 per month. The loan officer may be guaranteed a draw so long as the total outstanding draw does not exceed 2 months.

### **Performance Incentives**

Company Name performs periodic reviews (see Administration Module) to measure employee performance. Loan Originators are subject to these reviews.

### **Company Name's Policy on Loan Size Price Adjustments – Tiered Pricing**

In general, company name is cautious in its approach to pricing strategies. We adhere to maximum fees as outlined in our “Origination Quality Control Process” to avoid the practice of opportunistic, predatory pricing or more favorable pricing to any groups, classes of loan, or loan sizes.

Specifically with respect to FHA loans, we adhere to the tiered pricing policy promulgated by HUD in Mortgagee Letter 94-16. We allow no variance above the 2% rate charge change for various loan sizes. In addition, we may not set a minimum loan

amount.