



This Compensation Agreement Addendum ("Addendum") is entered into this ___ day of ___, 20__ ("Effective Date"), by and between _____

("Broker") and Keystone Funding Inc. (hereinafter referred to as "KFI" and/or "Lender"), and hereinafter collectively referred to as party or parties. Broker will be compensated by Lender in accordance with the requirements under the Truth in Lending Act (TILA) and Regulation Z, specifically the Loan Originator Compensation Rules. If Broker is compensated by the borrower or any other person or entity, then the terms pertaining to Lender Paid Compensation will not be applicable except as stated below.

- i. Loan coverage dates. This Addendum will cover all loans submitted after the effective date. Loan applications taken prior to the effective date that were not submitted to KFI will be subject to review on a case-by-case basis and the Good Faith Estimate (GFE) must accurately reflect the Broker Compensation Plan in effect upon submission to KFI.
ii. Election Period. The Broker will be permitted to change the terms of the Addendum once a quarter or at the Lender's discretion. Any changes made will affect new submissions (after the new effective date) only.
iii. Source of compensation. For every loan transaction submitted to KFI, the Broker must choose the source of Broker Compensation prior to loan submission:
a. Borrower Paid Compensation or:
b. Lender Paid Compensation
iv. Borrower paid compensation. Borrower paid broker compensation may include seller concessions. Borrower paid compensation is negotiated by the broker directly with the borrower and may vary on each individual loan transaction but, may not exceed the amount that the broker selects for its lender paid broker compensation. The amount is set with the borrower at the time of application (see Mortgage Broker Fee Agreement) and may not change. By choosing to be paid by the borrower, the broker may not receive any compensation directly or indirectly from any other party or entity to the transaction, or outside the transaction, including the lender.
v. Lender Paid Broker Compensation. When the Lender pays the Broker's compensation, the Broker will be paid according to the Lender paid broker compensation plan. The Broker may select a Lender paid broker compensation plan with a percentage beginning at one percent (1.00%) which is available in increments of one eighth of one per cent (0.125%) up to a maximum of two and three-quarters (2.75%).
vi. Third Party Costs. In a Lender Paid Broker Compensation loan, the Lender shall be the only party that shall pay the Broker compensation. In both Lender Paid Broker Compensation loans and Borrower Paid Broker Compensation loans, a borrower may choose a higher interest rate to cover the third-party closing costs only. None of the excess amounts may be paid to the Broker as compensation.
vii. Dual Compensation Prohibited. Broker agrees that Broker cannot receive compensation from both the borrower and a party other than the borrower (including the lender) for the same transaction. No dual compensation is permitted.
viii. Compensation Plan Administrator. Broker will designate one person to be the Compensation Plan Administrator ("Administrator"). The Administrator will be the person with the sole authority to select and change the Broker's compensation plan on behalf of Broker. The Broker hereby designates the following person as the Administrator and his or her primary email address is included below:

Name: _____
Title: _____
Email: _____



- ix. **Anti-Steering Disclosure.** In accordance with the amendments to Regulation Z (75 FR 58509; 09/24/10), Brokers may not steer borrowers in accepting a loan based solely on the fact that the loan originator/ Broker will receive greater compensation for such a loan, unless the transaction is in the borrower’s interest. For each loan submitted by the Broker to KFI, whether the compensation source is Borrower Paid or Lender Paid, the Broker must include an Anti-Steering Disclosure which describes the options presented to the borrower for each type of loan in which the borrower expressed an interest.

- x. **Payment of Loan Officer.** Broker shall be solely responsible for the payment of compensation to its loan officers. Broker agrees that all compensation paid by Broker to Broker’s loan officers. Broker agrees that all compensation paid by Broker to Broker’s loan officers must conform with all TILA Regulations and applicable federal, state, and local laws and regulations.

Lender Paid Broker Compensation : _____ %

Optional Minimum Compensation : _____ \$

Optional Maximum Compensation : _____ \$

When selecting to have a minimum compensation amount and choosing the Lender paid broker compensation option, that total dollar amount plus any other lender points and/or fees must be less than 3% of the calculated “total loan amount” at time of submission.

All Addendums will become effective on the first (1st) of the month following the date the election form is submitted.

Broker Client

Keystone Funding Inc

Name of Company

Donald Gallo

Signature of Broker of Record

_____ ,

Company NMLS