



ANTI-STEERING/SAFE HARBOR ATTESTATION FOR BANKS/CREDIT UNIONS

A loan originator must not direct or “steer” a consumer to consummate a transaction based on the fact that the loan originator will receive greater compensation from the creditor in the transaction than in other transactions the originator offered or could have offered to the consumer, unless the consummated transaction is in the consumer’s interest. Section 226.36 (e) (2) of Regulation Z provides a “safe harbor” if the consumer is presented with loan options that meet certain conditions for each type of transaction in which the consumer expressed an interest.

An Anti-Steering Disclosure on all Lender-Paid transactions is required. Carrington Mortgage Services, LLC (CMS) will reject loan packages on Lender-Paid transactions that are not in compliance with Regulation Z or that do not comply with the following anti-steering requirements.

The Anti-Steering Disclosure must:

- Indicate the types of transactions the consumer is interested in;
- Clearly indicate the options presented for each type of transaction the consumer is interested in;
- Indicate the option selected by the consumer; and
- Be signed and dated by the Loan Originator and the consumer(s).

The loan originator must retain the applicable rate sheets obtained from the creditors from whom the loan originator obtained loan options in order to demonstrate compliance with Regulation Z.

To meet the Regulation Z requirements for safe harbor, the Anti-Steering Loan Options Disclosure must:

- Disclosure must be titled, “Anti-Steering Loan Option Disclosure”, “Anti-Steering Disclosure of Loan Options” or “Loan Option Disclosure”
- Include Borrower(s) name and identifying information such as a loan number or property address
- Disclose loan options for each “Type of Transaction” in which the consumer expressed an interest. All options must be a similar type of transaction:
 - Fixed Rate Loans
 - Adjustable Rate Loans
- Disclose three (3) options to the consumer(s) for which they likely qualify;
 - Option 1 – Loan with the lowest interest rate
 - Option 2 – Loan with the lowest interest rate without negative amortization, a prepayment penalty, interest only payments, a balloon payment in the first seven (7) years of the life of the loan, a demand feature, shared equity or shared appreciation
 - Option 3 – Loan with the lowest total dollar amount for origination points or fees or discount points
- Must be signed by Loan Officer and must include the Loan Officer’s NMLS license number
- Must be signed by all Borrowers that will be listed on the Note

I have read the foregoing and understand CMS’ position on Anti-Steering.

Entity’s Name

Entity’s NMLS Number

Officer’s Printed Name

Officer’s Signature

Date