



A Rewarding Banking Experience.™

## **ANTI-STEERING/SAFE HARBOR ATTESTATION**

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.

Regulation Z [12 CFR 226.36(d)] requires that we refrain from paying our loan originators based on the terms and conditions of individual loans except for the amount of the loan. This restriction also applies to our bank when it is acting as a loan originator by using table funding. Table funding occurs when the creditor does not provide the funds for the transaction at consummation out of the its own resources, including drawing on a bona fide warehouse line of credit, or out of deposits held by the creditor. Accordingly, a table-funded transaction is consummated with the debt obligation initially payable by its terms to one person, but another person provides the funds for the transaction at consummation and receives an immediate assignment of the note, loan contract, or other evidence of the debt obligation.

An Anti-Steering Disclosure on all Lender-Paid transactions is required. Malvern Federal Savings Bank (MFSB) 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.

Loan originators are prohibited from steering consumers to a particular loan in order to increase their compensation. Loan originators may enjoy a safe harbor if they present loans to consumers that include the following features for all types of transactions in which the consumer expresses an interest. Our loan originators must present loans that have

- (1) the lowest interest rate for which the consumer qualifies;
  - (2) the lowest points and origination fees, **AND**
  - (3) the lowest rate for which the consumer qualifies for a loan with no risky features, such as a prepayment penalty, negative amortization, or a balloon payment in the first seven years.
- Type of transaction means fixed rate loans, variable rate loans or reverse mortgages.

Loan originators may present up to three but not more than four loans per type of transaction. Type of transaction means fixed rate loans, variable rate loans or reverse mortgages.

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.

- We will keep records of the compensation paid to loan officers and brokers, including any compensation we receive as a broker in secondary market transactions for two years after the date the loan closes as well as a copy of the compensation agreement in effect on the date the interest rate was set for the transaction, in the case of a broker. We will obtain and maintain the disclosure of compensation or broker agreement required by our state law for all mortgage loan brokers who refer loans to us that qualify as mortgage loan under this rule
- 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 MFBS position on Anti-Steering.

_____	_____	_____
Broker of Record Printed Name	Broker of Record Signature	Date
_____	_____	_____
Owner/Principal Printed Name	Owner/Principal Signature	Date