

March 23, 2011

Broker Compensation Updates

This broker communication is intended to update our broker partners on important dates and requirements regarding Regulation Z that go into effect on April 1, 2011

- Each broker has now received their Broker Compensation Addendum where TMS Funding is requiring brokers to choose their lender paid compensation. Compensation increments run from .75 through 3.0.
- **Addendums must be returned to TMS Funding by Friday, March 25, 2011.** Your AE will be contacting you if we have not received a response.
- **Loan file submissions must be uploaded by 5pm, Wednesday, March 30, 2011.** Even if a loan is previously locked, the file submission must be received by the 30th or your loan will be subject to the new requirements.
- TMS Funding will allow for periodic changes in your compensation in the first 90 days. Please send all change requests to brokerapproval@tmsfunding.com and allow 48 hours for your change to be updated. **All changes will be for new loan submissions, not loans previously submitted.**
- **Brokers will be allowed to change the lender paid or consumer paid option on each transaction by sending in a change form. Changes will be limited to 1x per transaction.**

Details on Completing the GFE and Borrower Costs:

- **The GFE is not changing with this new regulation.** GFEs will be completed the same way they have been. Lender paid scenarios will be further scrutinized for accuracy of fees. If fees look to be inaccurate, TMS Funding will not accept the GFE.
- **Premium pricing can be used to pay third party costs but cannot compensate the broker in either a lender or consumer paid scenario.**
- **Premium pricing credits/rebates can cover the following:**
 - Third Party costs (including settlement, appraisal, credit reports and outside processing services (**not** broker's own processing fee).
 - TMS Funding Admin Fee
 - Recurring costs (including escrows for hazard, flood, taxes and pre-paid interest)

Any additional questions? Please contact your TMS Funding AE! Thank you!