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Mt. Laurel, NJ 08054

Broker Compensation Selection Form

In compliance with Regulation Z, 12 CFR Part 226.36 the Federal Reserve Board under Consumer Financial Protection Bureau issued a final rule as part of the Truth in Lending Act. Arc Home designed a compensation plan to protect consumers and preserve responsible lending.

You will be compensated by either the borrower(s) or Arc Home but not both. For every loan transaction, you will choose a source of broker compensation as follows:

1) Borrower Paid Compensation(BPC)

BPC is compensation to the Broker paid by the borrower from the borrower's own funds or loan proceeds. BPC is negotiated directly with the borrower and may vary on each individual loan transaction. By choosing to be paid directly from the borrower may not receive any compensation directly or indirectly from any other party or entity inside or outside of the transaction, including the lender (Arc Home).

2) Lender paid Compensation (LPC)

LPC is compensation to the Broker paid by the lender (Arc Home) to the Broker. When the Lender (Arc Home). The broker must select a Lender paid Compensation plan below. (Arc Home) will permit Broker infrequent, quarterly, changes to their LPC selection as follows:

Jan 1, April 1, July 1, October 1 with changes requested 7 days prior to the change date.

LPC changes will take effect for all loans Locked after the change effective date. By choosing LPC the broker may not receive any compensation from the borrower or any other party or entity inside or outside of the transaction.

The Lender (Arc Home) is only responsible for LPC compensation to the broker if the loan closes and funds accordingly. (Arc Home) reserves the right to modify compensation plans according to market factors or changes to state or federal law. Brokers may not tie their Loan Originator compensation to any of the terms or interest rate to the borrower.

The Loan Originator may not steer a loan that is not in the borrower's best interest. The broker will obtain a signed Broker Agreement describing the compensation plan on the loan and obtain an Anti-Steering Disclosure which shows the following options:

The Loan with the lowest Interest Rate

The Loan with the lowest Points and Fees

The Loan with lowest Interest rate without risky features like negative amortization, prepayment penalty, balloon payment etc.

The Lender paid Compensation will be set at _____ % (.50 through 2.75% in increments of .125).

The Minimum Compensation will be \$ _____. The Maximum Compensation will be \$ _____

Company Name _____

Signature _____

Title _____

Printed Name (Authorized Signer) _____

Date _____