



A CONSUMER GUIDE FROM MICHAEL WRIGHT

How Your Loan Officer Gets Paid

& why it should matter to you

If I'm not writing anyone a check...

How is this person getting paid?

Twenty-six years in this business, across every kind of company people go to for a mortgage — banks, credit unions, direct retail lenders, correspondent lenders and brokerages. I have seen how each one sets its pricing, how the loan officer gets paid, and how those two decisions shape the offer you end up holding.

This guide exists because “shop around” is useless advice until somebody tells you what you are comparing.



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This is an educational publication, not a commitment to lend. Not all borrowers or properties will qualify.

| Follow the money

Shopping around works once you know what you are comparing.

A mortgage pays for more than the money you borrow. It also pays for the people and systems that find customers, evaluate applications, arrange closing and service the loan. Some of that you pay directly; some is reflected in your pricing.¹

The company's revenue and your loan officer's paycheck are different things. A large disclosed broker fee is not automatically the loan officer's personal income, and an absent fee line does not mean a retail loan officer works for free. The next page takes that apart.

WHERE WE LAND, AND WHY

On an ordinary loan, a well-run brokerage is nearly always the better place to start, and usually the better place to finish — one conversation opens several lenders at once, at wholesale rather than retail pricing. Not every broker works that advantage, which is what page 7 is about.

If you are buying from a builder, compare that incentive as part of the home purchase rather than as a loan. **The written offers should decide where you finish.**

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Scope: U.S. consumer mortgage shopping, primarily loans that use a Loan Estimate and Closing Disclosure. One company may operate in more than one role.²

How the person gets paid

The company's revenue and your loan officer's paycheck are two different things. This page is about the paycheck.

Your loan officer is paid by the company they work for, out of the revenue your loan produces. That arrangement is agreed in advance, in writing, and it does not move with the terms you accept.^{1, 8}

Three common arrangements

SALARY	Common at banks and credit unions. The originator is an employee, sometimes with a production bonus tied to volume — not to the pricing of any one loan.
COMMISSION	Common at nonbank lenders and brokerages. A set share of the loan amount, fixed in advance by agreement. In most commission arrangements the originator is paid only if the loan actually closes.
A COMBINATION	A base salary plus an incentive. Whatever the structure, it is set before your file exists, and it cannot change because you accepted a higher rate.

WHAT THEIR PAYCHECK DOES NOT TELL YOU

A salaried loan officer is not a cheaper loan officer. Someone on salary at a depository is still selling that institution's retail pricing. Someone on straight commission at a brokerage is still buying at wholesale.

How the person is paid tells you about their incentives. The channel and the company's pricing tell you about your offer. Do not read one as evidence of the other — the salaried employee of a retail lender and the commissioned broker are not competing on their own compensation, they are competing on where their loans come from.

Who is actually handling your file

Ask how many people sit between you and a decision. An employee originator works from a set menu and hands the file to processing, underwriting and closing departments elsewhere in the company. An owner-operated branch that processes its own files carries less corporate overhead in its pricing and fewer handoffs in its workflow, and the person you are speaking with has authority over the work.

In our experience that structure often produces a better result on both price and execution, and it is why this branch is built the way it is. It is not a guarantee, and it is not a claim about any particular competitor. **The written offers still decide.**

Three questions worth asking early: Are you paid a salary, a commission or both? Does your pay change if I choose a different option? Who processes my file, and who do I call when something goes wrong?

Banks and credit unions

Both hold deposits and lend their own money. The incentives differ.

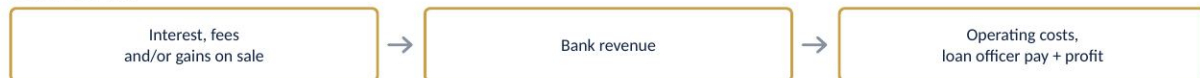
Banks

A bank accepts deposits and makes loans. It employs its loan officers and can fund mortgages using deposits and other financing. It may keep a loan in its portfolio or sell it. Keeping a loan can allow products that do not fit a standard investor's rules.³

LOAN FUNDS



REVENUE / PAY



WHAT YOU SEE	The bank's offer and disclosed charges, not a separate accounting of its internal margin or employee pay.
WHERE IT WINS	A portfolio program can accommodate a specialized situation. An established relationship and direct access to staff may help.
WHAT TO WEIGH	The loan officer works from the bank's menu. A familiar banking relationship does not prove its mortgage offer is your best available choice.

Credit unions

A credit union is a member-owned, not-for-profit depository. Its loan officer works for the institution. Member deposits and other funding support lending; mortgages may be retained or sold. Membership eligibility applies.⁴

LOAN FUNDS



REVENUE / PAY



WHAT YOU SEE	The credit union's offer and charges. Member ownership does not eliminate origination expenses.
WHERE IT WINS	Local service or a portfolio program may suit you well. Surplus supports the institution and member benefits. ⁴
WHAT TO WEIGH	Product breadth and processing capacity vary. Compare the actual offer, eligibility and closing timetable.

Funding proceeds and company revenue are different flows. Every diagram in this guide simplifies the mechanics, and revenue is not all profit.

Retail and correspondent lenders

Both lend in their own name. What sits behind the money differs.

Direct retail lenders

In the national consumer-direct model, the lender attracts borrowers through its own marketing, website or call center. Its loan officers work for that lender. Funding may come from company capital or a warehouse line — a short-term credit facility used to fund loans before sale.³

LOAN FUNDS



REVENUE / PAY



WHAT YOU SEE

The quote and its disclosed fees. Sales and operating expenses can be reflected in pricing without appearing as separate charges.

WHERE IT WINS

An efficient application system, a specialized program or a dependable internal process. Evaluate the people responsible for your file.

WHAT TO WEIGH

A large advertising presence does not establish value. Ask who owns your file, how handoffs work and who resolves a closing problem.

Correspondent lenders

A correspondent closes and funds in its own name, commonly using a warehouse line, then sells the loan to an investor. Its loan officer works for the correspondent. Underwriting may be handled by the correspondent or by the purchasing investor.³

LOAN FUNDS



REVENUE / PAY



WHAT YOU SEE

The correspondent as your lender. The investor's purchase price and the lender's internal margin are not separate borrower fee lines.

WHERE IT WINS

Access to several investor programs, plus control over parts of the closing process.

WHAT TO WEIGH

Investor rules still matter. Ask who approves the loan and whether a change requires another underwriting review.

Brokers and wholesale pricing

The broker arranges the loan. A wholesale lender funds it.

A mortgage broker arranges a loan through a wholesale lender. The lender funds it; the broker does not. Your loan officer works for, or owns, the brokerage. A broker can compare participating lenders, though not necessarily the entire market.²

LOAN FUNDS



REVENUE / PAY



WHAT YOU SEE

A lender's loan offer plus a broker compensation structure. How that compensation is paid decides where you see it — page 12 explains.

WHERE IT WINS

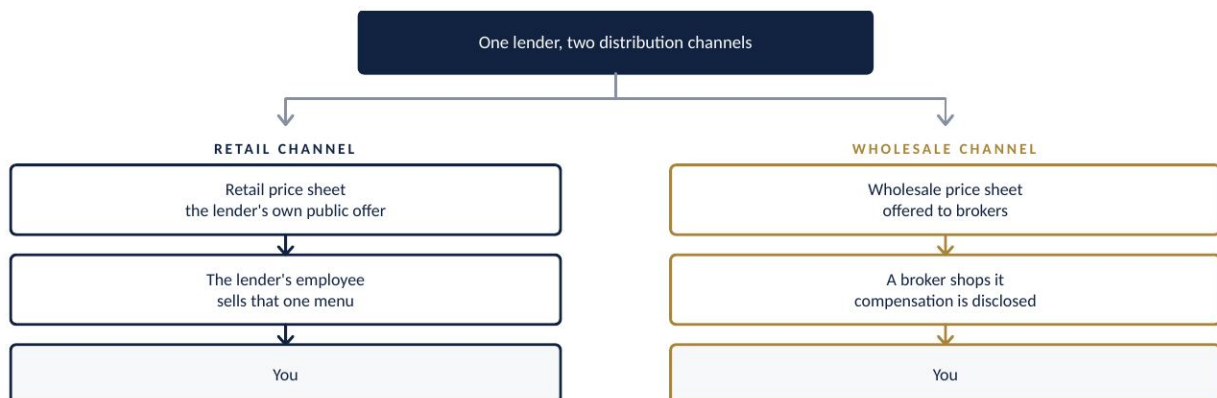
One contact can compare different underwriting rules and pricing. Especially useful when your file fits one lender better than another.

WHAT TO WEIGH

Access and expertise differ among brokers. Ask which lenders were actually considered and why the recommendation fits. The wholesale lender controls approval.

The same lender can use two channels

Retail means a lender sells directly to consumers. **Wholesale** means it offers loans through brokers. Many lenders do both, and the two channels can carry different acquisition costs, staffing, products and pricing.³



The same lender can appear on both sides of your search.

Wholesale pricing still includes that lender's own costs and margin — it is not a price with every markup removed. But the structure gives a broker two levers: which lender it chooses, and its own compensation. Wholesale access creates an opportunity, not a guarantee that every broker offer beats every retail offer. Compare the complete offers.

Start with a broker. Then vet the broker.

The structural advantage is real. It is not automatic, and it is not evenly distributed.

Here is our position, stated plainly, because a guide that hides its conclusion is not being fair to you either. **On an ordinary loan — a purchase or refinance that fits normal underwriting — a well-run brokerage is nearly always the best available outcome.** Across twenty-six years spent inside banks, credit unions, retail lenders and brokerages, I can count the genuine exceptions on one hand, and this guide names the main one on page 16.

The reason is structural rather than promotional. A broker buys at wholesale, chooses among lenders for your file, and can set the compensation structure to fit the transaction. A retail loan officer sells one company's menu at that company's retail price. That gap does not close because someone is friendly, local or well advertised.

SO WHY DOES THIS PAGE EXIST?

Because the advantage belongs to the **structure**, not automatically to every person operating inside it. A broker with access to thirty lenders who prices your loan with one of them has handed you a retail outcome with extra steps. Brokers differ in how many lenders they price, whether they will show you both compensation structures, and how much of the work they do themselves.

If a retail offer beats a broker's on the same loan, the likeliest explanation is that the broker did not work the file. That is worth knowing before you pick one.

Five questions that sort them out

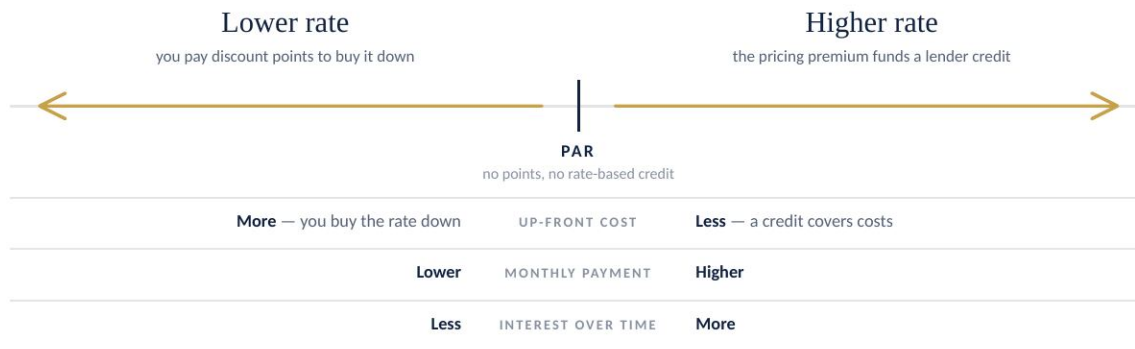
LENDER ACCESS	How many wholesale lenders are you approved with, how many did you price for my file, and why this one?
BOTH STRUCTURES	Will you show me this loan lender-paid and borrower-paid, side by side, with the rate attached to each? An unwillingness to show the comparison is the answer.
THEIR OWN PAY	What is your compensation on this loan, and where will it appear on my Closing Disclosure? A broker can answer this to the dollar. Page 12 shows the line.
THE WORK	Who processes my file, who underwrites it, and who do I call at six o'clock on closing day?
THE COMPARISON	Show me this loan at par, with points, and with a credit — and what each costs over five years.

What should make you keep shopping: one option and no explanation of the alternatives; "rates are the same everywhere"; lender-paid compensation on every file with no borrower-paid comparison offered; pressure to lock before you hold a written Loan Estimate.

Every rate has a price

The trade is between what you pay upfront and what you pay over time.

For the same borrower and the same loan, pricing offers a range of interest rates, each with a different upfront cost. **Par** commonly describes the rate with no discount-point charge and no rate-based lender credit on that particular pricing basis. Ask whether the quoted basis includes broker compensation and all applicable adjustments.



An up-front cost is not the same thing as cash out of your pocket. The cost is real, but who settles it varies. On a purchase it can be cash you bring, or it can be covered by a seller or builder credit — within the program's limits on contributions from interested parties, a large enough credit can absorb the points and the closing costs entirely. On a refinance the cost is almost always financed into the new loan instead: you close without funds, but the balance you repay is larger and you pay interest on it. Ask how the up-front cost is being settled, not only what you owe on closing day.^{5, 14, 17}

Discount points are an upfront charge used to obtain a lower interest rate. A higher-rate option can generate a pricing premium that supports a lender credit toward closing costs.

This rate-and-cost tradeoff applies across every business model in this guide.⁵

A PREMIUM IS NOT YOUR LOAN OFFICER'S BONUS

The price assigned to the loan changes as the interest rate changes. That does **not** mean the loan officer receives more compensation for moving you to the higher rate. Company pricing and originator pay are separate subjects, and the law keeps them that way.¹

Par is a pricing reference, not a universal market rate. A no-point option can still include other origination charges and closing expenses.

What “no closing cost” can mean

Nobody is working for free. The question is where the cost went.

A lender credit tied to a higher rate can cover eligible closing expenses. A lender may also absorb selected charges outright. Ask which costs are covered, and how.⁵

On a refinance

Closing costs, prepaid taxes and insurance, and deposits for the new escrow account can often be included in the new loan amount. That can let you close without bringing money to the table — subject to available equity, loan limits and program rules.¹⁷

On a purchase

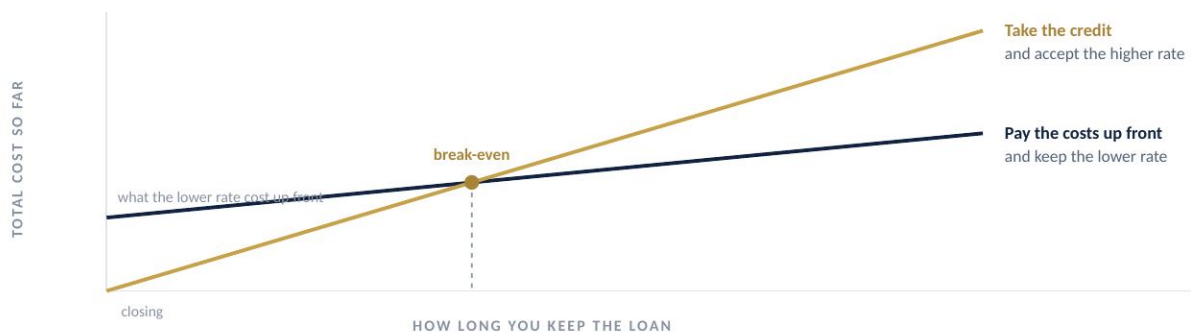
Taxes, insurance and escrow deposits generally add to the cash you need at closing, on top of your down payment. Seller concessions, lender credits or other assistance can cover some or all of those amounts, within program limits.^{5, 14}

“NO FUNDS TO CLOSE” DOES NOT MEAN A CHEAPER LOAN

Costs rolled into the loan increase the balance you repay with interest. Lender credits may come with a higher rate. **Compare the rate, the loan amount and the total costs — not just the cash due at closing.**^{5, 17}

Ask for the comparison

Compare costs over the period you actually expect to keep the loan, including any financed fees and the higher interest expense that comes with them. A future refinance is not guaranteed, and a plan that depends on one is not a plan.⁵



Illustrative only — not a quote, not to scale, and the crossing falls in a different place on every loan. **Ask where your break-even lands, and compare it to how long you expect to keep the loan.**

A fair question to put to anyone quoting you: “Show me this same loan at par, with the points, and with the credit — and what each costs me over five years.” Any loan officer who cannot produce that comparison is not really quoting you.

The fees worth questioning

Some closing costs buy a service. Others are overhead with a name on it.

Not every charge on a Loan Estimate is the same kind of charge. **Third-party costs** pay someone outside the transaction for work that has to happen — the appraisal, title, recording fees, and the taxes and insurance your escrow account collects.

Lender charges are different. They sit with the origination charges in Section A, and the company sets them:

Processing fee

assembling your file and moving it through the company

Administration fee

general overhead, charged as its own line

Application or commitment fee

charged at or near application

Underwriting fee

the company's own review of the file it is approving

Document preparation

producing the closing paperwork

Anything similar

a company names its own charges; the name is not the point

THESE ARE THE ONES TO ASK ABOUT FIRST

A lender controls its own charges, so it can reduce them, cover them with a credit generated by the rate, or in some structures not charge them at all. **Ask for the same loan with those fees and without them, and compare the rate you are quoted each way.**

A fee is not automatically improper — work does get done. But a charge on a document you are signing deserves a plain answer about what it pays for.

Some third-party costs are still yours to shop

The Loan Estimate separates services you cannot shop for from **services you can**, and comes with a written list of providers. Title and settlement charges commonly sit in the second group, and the provider a lender suggests is a suggestion, not a requirement.¹³

Why where a cost sits can matter in April

If a cost is going to be paid, its form is not always neutral. Mortgage interest and discount points may be deductible on your federal income tax return if you itemize, subject to IRS limits and eligibility requirements. Points may be deductible in the year paid or over the loan term, depending on the transaction.^{18, 19}

A processing, underwriting or administration fee is a charge for a service. It does not receive that treatment. **Two loans can cost the same at the closing table and not be worth the same afterward.**

Tax benefits are not guaranteed. Consult your tax advisor regarding your individual circumstances. This information is not tax advice, and E Mortgage Capital, Inc. does not provide tax advice.

You should not be paying anyone yet

The law sets a floor here. The standard worth holding is higher, and holding it costs you nothing.

The floor: before you have received a Loan Estimate *and* told the company you want to proceed, a lender or broker generally may not impose a fee on you at all. The single exception written into the rule is a bona fide and reasonable charge for obtaining your credit report.²⁰

The standard: that exception is permission, not an obligation. Pulling credit is a cost of doing business, and plenty of shops absorb it rather than bill a borrower who has not been shown a single number yet. **Nothing should come out of your pocket until an appraisal genuinely needs to be ordered.**

HOW WE DO IT

We charge nothing to look at your file. No application fee, no credit report fee, no processing or underwriting fee to price a loan, pre-approve you or issue your Loan Estimate. **The first money you spend is the appraisal, and we do not order one — on any loan type — until we know your loan is deliverable.**

On a conventional, FHA or USDA file, that is the point at which you pay the appraiser. On a VA loan we cannot collect that fee from you up front at all.

The appraisal is the first thing worth paying for

An appraiser is an independent third party doing real work, and that work is not free. The question is *when*. Credit reviewed, income and assets understood, program and lender chosen, conditions known — then the appraisal, because at that point you are buying it for a loan that can actually close. Ordering it earlier means paying to appraise a house for a file nobody has vetted.

“Send the appraisal deposit and we’ll get your Loan Estimate out” has the sequence exactly backwards. The Loan Estimate comes first, it is free, and it is the document you shop with. Anyone treating it as something you buy is telling you how the rest of the file will go.²⁰

Two more things worth knowing

Intent to proceed is something you say. A lender cannot infer it from your silence, and receiving a Loan Estimate is not accepting the loan. And a quote or worksheet is not a Loan Estimate — one prepared before the real disclosure has to say plainly that your actual rate, payment and costs could be higher.²⁰

Money already spent is one of the oldest reasons people accept a worse deal. Stay free to walk until you hold something in writing worth staying for.

Two ways to pay the broker

First question: who pays. Second: how much it adds to your loan's cost.

Lender-paid compensation · LPC

The wholesale lender pays the brokerage under an agreement set in advance and accounts for that expense in its pricing. You may see no borrower-paid broker origination fee and no discount points — but the compensation is still part of the economics of your rate.^{1, 8}

In my experience lender-paid compensation is often set at 2.50% of the loan amount, and I also see agreements at 2% and 3%. Those figures describe arrangements I encounter — not a required schedule, an industry minimum or a maximum.

The broker cannot collect twice. On a lender-paid loan the broker cannot also charge you a borrower-paid origination fee for its compensation. Legitimate lender charges, discount points and third-party closing costs still apply. Ask who receives each fee.⁸

Borrower-paid compensation · BPC

You pay the brokerage an agreed fee, such as an origination charge, separate from discount points. A lower borrower-paid fee means the loan has less broker compensation to support, which can leave room for better pricing — though the label alone does not tell you which option needs more cash or costs more over time.^{6, 7}

Where to look on the page

CLOSING DISCLOSURE · CLOSING COST DETAILS		EXCERPT
LOAN COSTS	BORROWER-PAID	PAID BY OTHERS
A. Origination Charges		
01 % of Loan Amount (Points)		
02 Loan origination fee		
03 Broker compensation to your broker's company name (L)	—	
Borrower-paid broker compensation appears in the first column. Lender-paid compensation appears in Paid by Others , marked (L), with the originator's name and the dollar amount. Amounts are withheld here; yours appear on your own disclosure.		

EITHER WAY, IT IS ON THE CLOSING DISCLOSURE

Lender-paid compensation is not itemized on the Loan Estimate, but it is on the Closing Disclosure.^{6, 7} **A retail lender's internal margin on the same loan is not itemized anywhere, on either document.**

Compensation percentages are discussed for education. They are not interest rates, an advertised fee schedule, or a quote.

Why a visible fee can cost less

“No origination fee” is not the same as the least expensive loan.

Imagine two otherwise similar offers. One supports lender-paid broker compensation of 2.50%. The other uses a borrower-paid broker fee of 1%. The second loan has less broker compensation to cover, which can create room for a lower rate. All percentages here are of the loan amount.

ILLUSTRATIVE COMPARISON	LENDER-PAID OFFER	BORROWER-PAID OFFER
Broker compensation	2.50% paid by lender	1% borrower-paid fee
Separate broker origination fee	None charged to borrower	1% shown in Section A
Lender credit in this example	None assumed	1% toward other eligible costs
What to compare	Actual rate and total costs	Actual rate and total costs

The lender credit is a separate piece

A borrower-paid offer may also provide a lender credit. Choosing a rate that generates that credit generally means accepting a higher rate than the same borrower-paid loan without it. Even so, that rate can still be lower than the lender-paid alternative. The actual quotes decide.⁵

How the cash can balance out

If the borrower-paid fee is 1% and a lender credit equal to 1% covers other eligible costs you would have paid anyway, the credit can offset the fee's effect on your total cash. You still pay the broker fee; you simply bring less cash for those other costs.

The credit cannot directly pay borrower-paid broker compensation. There must be enough other eligible costs to absorb it, and lender and program rules apply. A credit is not automatically cash back.⁸

PUT SIMPLY

The loan with the visible 1% broker fee may leave you with a lower rate and similar total cash needed. **Do not reject it because the other quote says “no origination fee.”** Compare both complete offers.

| Know the rules. Expect options.

A good explanation helps you compare choices, not just accept one quote.

01 Pay cannot reward a higher rate

For covered loans, originator compensation cannot depend on the interest rate, other loan terms, or a proxy for those terms. Salary, flat-fee and fixed-percentage arrangements remain possible. Ask how both the person and the company get paid.^{1,8}

02 What illegal steering actually means

Regulation Z prohibits directing you into a loan because it pays the originator more than the alternatives, unless that loan is in your interest. One offer alone does not establish a violation.⁸

To use one anti-steering safe harbor, an originator generally must review options from at least three lenders it regularly uses — or all of them, if fewer — and present qualifying choices meeting the rule's rate, loan-feature and origination-cost criteria. It need not show an offer from every lender.⁸

ONLY ONE OPTION? THAT IS A RED FLAG

If your loan officer presents a single option, ask for alternatives immediately. If they cannot explain what else they considered, or why only one fits, take that seriously.

An inability to explain the choices may signal gaps in the loan officer's knowledge, the company's training, or its supervision. And without a comparison, an expensive offer goes unchallenged.

Ask: "What other rate-and-cost options fit my situation, and why is this one better?" There may be a valid eligibility or product limitation. If the explanation is unclear, get another quote before you commit.

03 Broker pay leaves a disclosure trail

Section A of the Closing Disclosure names the broker and its compensation — Borrower-Paid for BPC, Paid by Others for LPC. Retail lender margin and employee pay are not separately itemized on those disclosures. Brokerage revenue is not all personal take-home pay.^{6,7}

A red flag is a reason to investigate, not proof of illegality, incompetence or excessive pricing. Legal anchors: Regulation Z §1026.36(d), (e); §1026.37(f)(1); §1026.38(f)(1).

Licensed or federally registered

Both carry an NMLS number. The qualification paths are not the same.

State-licensed originators

Nonbank mortgage loan originators generally need state licenses, subject to applicable exemptions and temporary-authority provisions. The federal SAFE Act minimum framework includes:⁹

EDUCATION	At least 20 hours of NMLS-approved pre-licensing education — 3 in federal law, 3 in ethics, 2 in nontraditional mortgage lending, the remainder in other approved instruction.
TESTING	A passing result of at least 75% on the NMLS-developed SAFE test.
BACKGROUND	Fingerprints for state and national criminal-history checks including the FBI, personal-history disclosures, and authorization for an independent credit report.
STANDARDS	Financial responsibility, character and fitness standards; disqualifying criminal-history and license-revocation rules; and state-required bond, net-worth or recovery-fund coverage.
RENEWAL	At least 8 hours of approved continuing education annually — 3 federal law, 2 ethics, 2 nontraditional lending, 1 additional. States may add requirements. ¹⁰

Federally registered originators

Originators employed by covered banks and credit unions generally register through NMLS instead of following the state licensing path. Registration includes employment and personal-history disclosures, fingerprints for criminal-history checks, an identifier, and ongoing updates and renewal.¹¹

THE DIFFERENCE, STATED FAIRLY

Federal registration does not impose the state licensing path's SAFE test or its specified pre-licensing and annual education hours. Employers must maintain compliance procedures, and separate Regulation Z requirements include background and fitness screening and periodic training.^{8, 11, 12}

State licensing imposes a standardized education and testing floor. Federal registration is a different framework, not an absence of oversight. **Neither status alone proves skill or service quality.**

Check the person and the company

Use NMLS Consumer Access to confirm identity, the listed employer, and the relevant license or registration status. Review any available regulatory actions. An NMLS number is a lookup key — not a quality score, and not a promise of approval.

www.nmlsconsumeraccess.org

Buying from a large builder

The one case where we tell people to go get the other offer.

If you are buying new construction from a large national builder, ask for the offer from its affiliated or preferred lender. A builder-funded incentive can make that package worth choosing even when you would otherwise start with a broker.

Builders may contribute toward eligible closing costs or a rate buydown, subject to the loan program's limits. A permanent buydown reduces the contractual rate; a temporary buydown subsidizes the early payments without changing the note rate. Ask which one is on the table.^{14, 15}

WHY WE CANNOT MATCH IT, AND WHY THAT IS NOT A PRICING LOSS

A builder-funded concession uses part of the home-sale proceeds to support the financing package. It is a benefit on the **home purchase**, delivered through the mortgage — not proof of a better standalone loan price, and not necessarily a reduction in the stated home price.

An independent lender does not receive the builder's profit on the home and cannot reproduce that subsidy. That said, the incentive is not automatically unbeatable: the home price, the available concessions and the complete financing costs still decide the result.

How to compare them honestly

BOTH IN WRITING	Compare the same home, options and upgrades with builder-linked financing and with outside financing. Identify every incentive that remains, changes or disappears when you choose an outside lender.
SAME HORIZON	Compare home price plus financing and closing costs, net of incentives, over a common ownership period. If comparing cash outlays, include the remaining loan balance at the end — do not count principal twice.
LOOK PAST THE TEASE	If the subsidy is temporary, evaluate the expense after it ends. Do not assume a refinance will replace it.

A separate eligibility exception: a portfolio bank may approve a truly bespoke or cross-collateralized transaction that the available wholesale programs cannot accommodate. That is a question of program fit, not of price.

Your lender shopping checklist

The CFPB recommends requesting Loan Estimates from at least three different lenders. Compare the same loan type and assumptions.¹⁶

Provider / loan officer _____ NMLS ID _____ Date _____

☐ **Who are you in this transaction?**

Broker, bank, credit union, retail lender or correspondent? Who funds the loan?

☐ **How are you and your company paid?**

Salary, commission or another arrangement? Is broker compensation lender-paid or borrower-paid, and where will I see it?

☐ **Which options did you actually compare?**

Which alternatives fit my file? If you show only one option, why? Explain the choices and the tradeoffs.

☐ **Can you explain alternative pricing?**

If available, show comparable lender-paid and borrower-paid structures and explain the upfront-cost tradeoff.

☐ **Are we comparing the same assumptions?**

Same borrower information, property, program, lock period and pricing date?

☐ **What costs remain my responsibility?**

Which charges are included, which can change, and what exactly does any lender credit cover?

☐ **What happens if the lock expires?**

Who pays an extension, how is a new rate determined, and what if the delay is yours? Please put the policy in writing.

☐ **Who owns the file through closing?**

Who handles conditions and problems? What could delay approval or funding?

☐ **Are you licensed or federally registered?**

What is your NMLS ID, and does the public record match your employer and role?

☐ **What will I be asked to pay, and when?**

Before I hold a Loan Estimate, the only charge should be a bona fide credit report fee. When is the appraisal collected?

☐ **Is a builder incentive changing the comparison?**

What is the same home's full package with outside financing, and which incentives would I lose?

My priorities and follow-up questions

Keep the Loan Estimates and written explanations together. The lowest visible fee is only one part of the comparison.¹³

Sources and further reading

The numbered references support the factual explanations in this guide. The broker-first starting recommendation and the shopping scenarios are our editorial judgment, not a claim that any channel always costs less.

- 1 CFPB · How a mortgage loan officer or broker gets paid**
Salary and commission structures; compensation cannot vary with mortgage terms.
- 2 CFPB · Mortgage lender versus mortgage broker**
Different roles; companies can operate in more than one capacity.
- 3 OCC · Comptroller's Handbook: Mortgage Banking**
Retail, broker and correspondent channels; funding and secondary-market mechanics.
- 4 NCUA · What is a Credit Union?**
Member ownership, not-for-profit structure and membership.
- 5 CFPB · Lender credits and discount points**
How upfront costs and interest rates trade off.
- 6 CFPB · Regulation Z §1026.38(f)(1)**
Closing Disclosure treatment of broker compensation, including paid by others.
- 7 CFPB · Regulation Z §1026.37(f)(1)**
Loan Estimate origination charges and borrower-paid broker compensation.
- 8 CFPB · Regulation Z §1026.36(d), (e), (f)**
Compensation, anti-steering and originator qualification requirements.
- 9 CFPB · Regulation H §1008.105**
Minimum state licensing qualifications.
- 10 CFPB · Regulation H §1008.107**
Annual renewal and continuing education.
- 11 CFPB · Regulation G §1007.103**
Federal registration, background information and renewal.
- 12 CFPB · Regulation G §1007.104**
Employer policies, procedures and oversight of registered originators.
- 13 CFPB · Choosing a loan offer**
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- 14 Fannie Mae · Interested Party Contributions**
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- 15 Fannie Mae · Temporary Interest Rate Buydowns**
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- 16 CFPB · Your home loan toolkit, page 10**
Request written Loan Estimates from at least three different lenders.
- 17 Fannie Mae · Limited Cash-Out Refinance Transactions**
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- 18 IRS · Publication 936, Home Mortgage Interest Deduction**
What qualifies as deductible home mortgage interest, and the limits that apply.
- 19 IRS · Topic no. 504, Home mortgage points**
When points are deductible in the year paid, and when they are spread over the loan term.
- 20 CFPB · Regulation Z §1026.19(e)(2)**
The fee restriction before delivery of the Loan Estimate and intent to proceed, its credit-report exception, and how a pre-disclosure written estimate must be labeled.

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