

# MORTGAGE BORROWER COMPENSATION & RELATIONSHIP DISCLOSURE DOCUMENT

The following form was developed by the Real Estate Council of Alberta to assist borrowers in understanding their relationship with mortgage brokerages. For a variety of reasons, a mortgage professional may not always be able to obtain the lowest rate or best terms in the marketplace for a particular borrower.

## MORTGAGE BROKERAGE'S ROLE

The following document describes the mortgage brokerage's role and resulting obligations to you. You are encouraged to discuss this document with your mortgage representative and ask any questions you may have. In general terms a MORTGAGE BROKER can be described as the matchmaker between a borrower and a lender with the goal of originating a mortgage loan.

## NATURE OF RELATIONSHIP

Nature of Service Relationship

The brokerage and I will act as an INTERMEDIARY between the borrower and lender(s) who have authorized us to offer their mortgage products to borrowers. In this service relationship, we are authorized to offer the mortgage products of one or more lenders to borrowers who are seeking a mortgage. Our duties to you the borrower, include the following:

- Be honest;
- Exercise reasonable care and skill;
- Gather your intended property and financial information to determine the lending options available to you;
- Disclose and explain appropriate options for your consideration, complete and submit documentation to the lender; and
- Keep you informed of the progress of your application.

Our duties to the lender are:

- Be honest;
- Exercise reasonable care and skill;
- Complete and submit documentation to the lender'
- Disclose what steps were taken to verify information and documentation as part of the application process; and
- Keep the lender informed of the progress of the application.

## **Whose products do I offer?**

Mortgages from multiple lenders

**Nature of relationship between the lender and my brokerage where the brokerage is an INTERMEDIARY or representing the borrower:**

I am not employed by the lender

We will treat you:

- Honestly; and
- Exercise reasonable care and skill in providing information with respect to lender'(s) mortgage options, progress of the transaction, and complete documentation for submission to the lender and communicate information from the lender.

## COMPENSATION

**My brokerage and I will be compensated for this mortgage transaction in the following ways:**

- By way of commission/income or fee paid by the lender
- By way of a renewal commission from the lender if you keep the mortgage loan in force

**I may (will) also receive monies or non-monetary benefits from the lender that include:**

- Additional commission/income based on my volume of business with the lender
- Additional commission/income based on my efficiency with the lender
- Travel/gifts
- Attendance at seminars or conferences

## OTHER

**Refund of fees. If the brokerage charges you a fee to arrange your mortgage and I am not successful in getting your mortgage approved by a lender you will receive:**

- Not applicable

**What additional costs will you have to pay?**

- Specific fees e.g. property appraisal, default mortgage insurance, title insurance
- Closing Cost

**As a mortgage broker/associate, I may (will) be paying others part of my compensation for this mortgage referral:**

- Gift Certificates

**By signing this disclosure you agree that we may send you correspondence relative to your mortgage and other related news. We may also co-broker your file with another Verico Brokerage.**

I/we authorize the brokerage to obtain a credit report for the purposes of my/our mortgage application and I/we authorize the brokerage to exchange such credit information with potential mortgage lenders, mortgage insurers or service providers for the purpose of securing mortgage financing. Pursuant to the *Real Estate Act*, the brokerage is required to maintain the application and credit information for a minimum period of 3 years.

I/we hereby consent to the brokerage to collect, use, and disclose my/our personal information for the purposes of securing a mortgage on my/our behalf. In addition, I/we authorize the Brokerage to verify and information pursuant to my/our application from any source.

Mortgage Brokerage:

**Verico Brokers for Life Inc**

Mortgage Broker/Associate's Signature & Date:

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**Borrower Name:**

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**Borrower Signature & Date:**

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**Borrower Name:**

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**Borrower Signature & Date:**

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