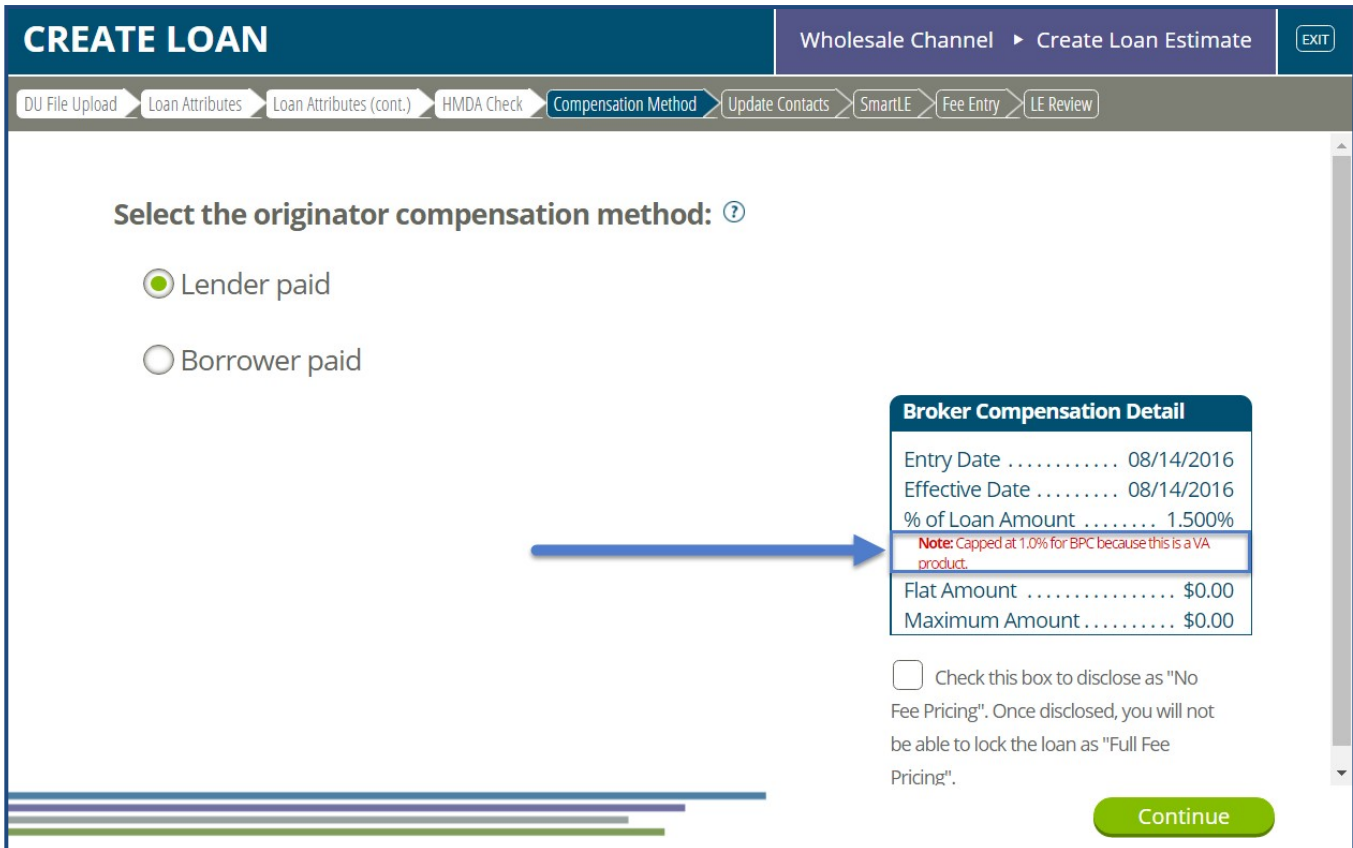


Purpose of this reference material: Wholesale clients can charge Borrower paid compensation\* (BPC) on VA loans at a maximum of 1%.

## LION Create Loan Estimate Workflow



**CREATE LOAN** Wholesale Channel ▶ Create Loan Estimate EXIT

DU File Upload ▶ Loan Attributes ▶ Loan Attributes (cont.) ▶ HMDA Check ▶ **Compensation Method** ▶ Update Contacts ▶ SmartLE ▶ Fee Entry ▶ LE Review

Select the originator compensation method: ?

Lender paid

Borrower paid

**Broker Compensation Detail**

Entry Date ..... 08/14/2016

Effective Date ..... 08/14/2016

% of Loan Amount ..... 1.500%

**Note:** Capped at 1.0% for BPC because this is a VA product.

Flat Amount ..... \$0.00

Maximum Amount ..... \$0.00

Check this box to disclose as "No Fee Pricing". Once disclosed, you will not be able to lock the loan as "Full Fee Pricing".

Continue

*\*This Compensation Method screen calculation is based on the Base Loan Amount. Comp will update in the Loan Estimate Fees to a percentage of the Total Loan Amount.*



**VA BPC**  
Reference Guide



When clients select the Borrower paid option\* in the Create Loan Estimate Workflow, the “No Fee Pricing” option will auto-check. This cannot be changed after the loan has been disclosed.

**CREATE LOAN**
Wholesale Channel ▶ Create Loan Estimate
EXIT

DU File Upload
Loan Attributes
Loan Attributes (cont.)
HMDA Check
Compensation Method
Update Contacts
SmartLE
Fee Entry
LE Review

**Select the originator compensation method: ?**

Lender paid

Borrower paid ←

You have selected Borrower Paid Compensation. Please note that you are capped at 1% on VA loan products. You may lower the % amount, or enter a fixed dollar amount however the total of the entered fees may not exceed 1%

BPC Amount

+

Flat Amount

Check to Override as \$ amount

Check the following box to add a Third Party Processing Fee. Third party processing companies must be NMLS approved and fees are subjected to QM testing. The max fee allowed by NPF is \$800. For Va BPC loans this fee is considered part of the 1% allowable charges.

**Broker Compensation Detail**

Entry Date ..... 08/14/2016

Effective Date ..... 08/14/2016

% of Loan Amount ..... 1.500%

Note: Capped at 1.0% for BPC because this is a VA product.

Flat Amount ..... \$0.00

Maximum Amount ..... \$0.00

By Selecting Borrower Paid, the No Fee Pricing box will default to checked. →

Check this box to disclose as "No Fee Pricing". Once disclosed, you will not be able to lock the loan as "Full Fee Pricing".

Note: Must select 'No Fee Pricing' for BPC because this is a VA product.

Continue

*\*The Compensation Method screen calculation is based on the Base Loan Amount. Comp will update in the Loan Estimate Fees to a percentage of the Total Loan Amount.*



## VA BPC Reference Guide



Clients can also charge a Third-Party Processing Fee on VA BPC loans. The maximum for a Third-Party Processing Fee is \$800. This processing fee is part of the 1% VA allowable fees.

A client can add a Third-Party Processing Fee up to an amount that when combined with the BPC is less than or equal to 1% of the allowable VA fees.

The screenshot shows a web application interface with a modal error message. The error message text is: "Can not change Third Party Processing Fee, The entered amount (800) is greater than 0". Below the message is a green "OK" button. The background form shows a calculation: "BPC Amount" is 1.0000%, and "Flat Amount" is \$0.00. There is a plus sign between them. Below this, there is a checkbox labeled "Check to Override as \$ amount" which is unchecked, and a text input field containing "\$2,400.00". Below the form, there is a paragraph of text: "Check the following box to add a Third Party Processing Fee. Third party processing companies must be NMLS approved and fees are subjected to QM testing. The max fee allowed by NPF is \$800. For Va BPC loans this fee is considered part of the 1% allowable charges." Below this text is a label "Third Party Processing Fee:" followed by a text input field containing "\$0.00".

In the example below, BPC is reduced by .15% and the \$300 Third Party Processing fee can now be included.



# VA BPC Reference Guide



Borrower paid

*You have selected Borrower Paid Compensation. Please note that you are capped at 1% on VA loan products. You may lower the % amount, or enter a fixed dollar amount however the total of the entered fees may not exceed 1%*

BPC Amount  + Flat Amount   
 Check to Override as \$ amount

Check the following box to add a Third Party Processing Fee. Third party processing companies must be NMLS approved and fees are subjected to QM testing. The max fee allowed by NPF is \$800. For Va BPC loans this fee is considered part of the 1% allowable charges.

Third Party Processing Fee:

### Broker Compensation Detail

Entry Date ..... 08/14/2016  
 Effective Date ..... 08/14/2016  
 % of Loan Amount ..... 1.500%

*\*This Compensation Method screen calculation is based on the Base Loan Amount. Comp will update in the Loan Estimate Fees to a percentage of the Total Loan Amount.*

LE Fees: The amount of BPC, line 824, calculation updates here based on the Total Loan amount (Base amount + financed Funding Fee = Total Loan amount). Line 816 reflects the Third-Party Processing fee.

800 - Items Payable in Connection with the Loan			
HUD Number	Description	Total Amount	Borrower Amount
804	Appraisal Fee A	\$600.00	\$600.00
809	Tax Service 1	\$47.00	\$47.00
816	Third Party Processing 1	\$300.00	\$300.00
823	Lender Credit to Borrower (Input as Neg)	\$0.00	\$0.00
824	Broker BPC (Variable)	\$2,126.25	\$2,126.25
827	Broker Credit Report Fee A	\$100.00	\$100.00
831	Flood Zone Certification A	\$6.00	\$6.00
836	MERS Registration A	\$4.95	\$4.95
866	Administration Fee to eHousing	\$0.00	\$0.00
867	Program Participation Fee	\$0.00	\$0.00

## LION Locking a VA BPC loan

Pricing structure for VA BPC loans in Products & Pricing by program.



# VA BPC Reference Guide



**Workflow**

- Loans
- Loan: TonyCA Testcase
- Loan Summary
- Products and Pricing**
- Rate Lock
- Loan Contacts
- Underwriting Qualify
- URLA 1

**new penn FINANCIAL**

Bob the Broker

Check Invest  
Import 2

Updated

You have elected to do BPC compensation for this loan. Please make sure you select the proper VA BPC product when pricing your loan.

**OK**

**Loan Criteria**

Product Category: Fannie Fixed 30 Yr

Purchase Price/Value (\$): 300000

Investor: All

Loan Purpose: Purchase

Original Investor: Other

**Status**

Loan Information	
Loan Number	9917040084
Status	Registered
Loan Amount	\$240,000.00
Total Loan Amt.	\$243,000.00
Product	VA Fixed 30 Yr
Loan Purpose	Purch1st
Refi Purpose	N / A
Term	360
LTV	80.000%
CLTV	80.000%
Rate	4.250%
APR	4.517%
PI Payment	\$1,195.41
NoteRate PI Payment	\$1,195.41
Total Debt Ratio	27.338%
Housing Ratio	21.305%
PITI	\$1,917.41
Total Closing Costs	\$317,020.37
FICO	0
Cash To Close	\$72,340.37
Other Financing	\$0.00
Est. Close	

New VA BPC loan products will be available in Marksman. When a VA BPC product is selected, the following pricing should be added to the loan.

Rate	Price
LPOA Freddie Fixed 30 Yr	
LPOA High Bal Freddie 10/1 ARM	
LPOA High Bal Freddie 5/1 ARM	
LPOA High Bal Freddie 7/1 ARM	
LPOA High Bal Freddie Fixed 15 Yr	
LPOA High Bal Freddie Fixed 20 Yr	
LPOA High Bal Freddie Fixed 25 Yr	
LPOA High Bal Freddie Fixed 30 Yr	
Owners Advantage 20 Yr Fixed - 12 Months	
Owners Advantage 20 Yr Fixed - 24 Months	
Owners Advantage 25 Yr Fixed - 12 Months	
Owners Advantage 25 Yr Fixed - 24 Months	
Owners Advantage 30 Yr Fixed - 12 Months	
Owners Advantage 30 Yr Fixed - 24 Months	
USDA Fixed 30 Yr	
USDA Streamline Assist	
<b>VA BPC 5/1 ARM</b>	
VA BPC Fixed 15 Yr	
VA BPC Fixed 30 Yr	
VA 5/1 ARM	
VA Fixed 15 Yr	
VA BPC 5/1 ARM	

**Loan Criteria**

Product Category: VA BPC 5/1 ARM

**New VA BPC Product**