

Red Diamond Home Loans RML0 RMLO Comp Rules: For Conventional Loans and Government Loans, pricing reductions of .75% or more will move the deal to an "In-House" deal and the commission structure will be 100 basis points vs. 150. For Jumbo Loans, gross income below \$10,000 will move the loan to an "in house" loan where the compensation structure for Jumbo loans will be reduced to \$4,000 per loan.

Compensation Structure Compensation

Outside Retail RMLO's: Basis Points

	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS
Gross Margin - Basis Points	Outside RMLO Margins in Basis Points													
Conventional Loans - Basis Points	150	300	287.5	275	262.5	250	237.5	225	212.5	200	187.5	175	162.5	150
Government Loans - Basis Points	150	400	387.5	375	362.5	350	337.5	325	312.5	300	287.5	275	262.5	250
Jumbo Loans (Comp Cap 7,000) Revenue Target/No BPTS		\$15,000	\$14,000	\$13,000	\$12,000	\$11,000	\$10,000	\$9,000	\$8,000	\$7,000	\$6,000	\$5,000	\$4,000	\$3,000

Gross Margin (Dollars) Loan Amt

	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS
Outside RMLO Margins In Dollars														
Conventional Loans	\$200,000	\$6,000	\$5,750	\$5,500	\$5,250	\$5,000	\$4,750	\$4,500	\$4,250	\$4,000	\$3,750	\$3,500	\$3,250	\$3,000
FHA/VA/USDA	\$200,000	\$8,000	\$7,750	\$7,500	\$7,250	\$7,000	\$6,750	\$6,500	\$6,250	\$6,000	\$5,750	\$5,500	\$5,250	\$5,000
Jumbo Loans	\$600,000	\$15,000	\$14,000	\$13,000	\$12,000	\$11,000	\$10,000	\$9,000	\$8,000	\$7,000	\$6,000	\$5,000	\$4,000	\$3,000

RMLO Compensation Loan Amt

	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS
Outside RMLO Compensation Dollars														
Conventional Loans (150 basis points)	\$200,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
FHA/VA/USDA (150 basis points)	\$200,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
Jumbo Loans (Cap Comp - \$7,000)	\$600,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000

RMLO Comp Percentage of Gross Loan Amt

	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS
Outside Compensation Payments As A Percentage Of Gross Revenue														
Conventional Loans	\$200,000	50.00%	52.17%	54.55%	57.14%	60.00%	63.16%	66.67%	70.59%	75.00%	80.00%	85.71%	92.31%	100.00%
FHA/VA/USDA	\$200,000	37.50%	38.71%	40.00%	41.38%	42.86%	44.44%	46.15%	48.00%	50.00%	52.17%	54.55%	57.14%	60.00%
Jumbo Loans (Comp. Cap 7,000)	\$600,000	40.00%	42.86%	46.15%	50.00%	54.55%	60.00%	66.67%	75.00%	85.71%	100.00%	120.00%	150.00%	200.00%

In-House Loans: Gross BPTS/Dollars Loan Officer Compensation BPTS

	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS
In-House RMLO Margins in Basis Points														
Conventional Loans	100	225	212.5	200	187.5	175	162.5	150	137.5	125	112.5	100	87.5	75
Government Loans	100	325	312.5	300	287.5	275	262.5	250	237.5	225	212.5	200	187.5	175
Jumbo Loans (Gross Revenue)	\$100	\$9,000	\$8,000	\$7,000	\$6,000	\$5,000	\$4,000							

Gross Margin (Dollars) Loan Amt

	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS
In-House RMLO Margins In Dollars														
Conventional Loans	\$200,000	\$4,500	\$4,250	\$4,000	\$3,750	\$3,500	\$3,250	\$3,000	\$2,750	\$2,500	\$2,250	\$2,000	\$1,750	\$1,500
FHA/VA/USDA	\$200,000	\$6,500	\$6,250	\$6,000	\$5,750	\$5,500	\$5,250	\$5,000	\$4,750	\$4,500	\$4,250	\$4,000	\$3,750	\$3,500
Jumbo Loans (Gross Revenue Dollars)	\$600,000	\$9,000	\$8,000	\$7,000	\$6,000	\$5,000	\$4,000							

RMLO Compensation Total Loan Amt

	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS
In-House RMLO Compensation Dollars														
Conventional Loans (100 basis points)	\$200,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
FHA/VA/USDA (100 basis points)	\$200,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Jumbo Loans (Cap Comp \$4,000)	\$600,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000

RMLO Comp Percentage of Gross Loan Amt

	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS	Margin-BPTS
In-House Compensation Payments As A Percentage Of Gross Revenue														
Conventional Loans	\$200,000	44.44%	47.06%	50.00%	53.33%	57.14%	61.54%	66.67%	72.73%	80.00%	88.89%	100.00%	114.29%	133.33%
FHA/VA/USDA	\$200,000	30.77%	32.00%	33.33%	34.78%	36.36%	38.10%	40.00%	42.11%	44.44%	47.06%	50.00%	53.33%	57.14%
Jumbo Loans (Comp. Cap \$4,000)	\$600,000	44.44%	50.00%	57.14%	66.67%	80.00%	100.00%							

Quarterly Adjustments: We want to establish a method to encourage the RMLO to hit our target income per loan goals.

Quarterly Compensation Adjustments:** Next Quarter's Comp

	Next Quarter's Comp	Compensation Notes: Quarterly Adjustments
Outside RMLO Quarterly Income from 0-49 of Target*	150	Quarterly Compensation will remain the same assuming Quarterly LO Income is in the 0-49 basis points range of target.
Outside LO Quarterly Income is 50 basis points off target*	125	If Quarterly LO Income in total for the quarter, excluding "in-house" loans is 50 basis points or more below target, then there will be a 25 basis point reduction to commissions for the LO the following quarter. Again, all loans are included in the calculation except In-House deals.

*All In-House Loans Will Be Removed

**Quarterly Compensation Adjustments will look at a combined revenue of all loans closed throughout the quarter and add up the total revenue of all loans, less any lender credits provided. Waived fees will be deducted from the revenue target totals.