

Sente
MORTGAGE

CO-BRANDING
POLICY
2021



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INTRODUCTION

WHAT IS IT?

Co-branded marketing occurs when two brands (typically an originator and a realtor) with related products team up to win customers. Co-branding is the practice of using multiple brand names together on a single product or service. The term can also refer to the display of multiple brand names or corporate logos on a single website, so that people who visit the site see it as a joint enterprise.

In order to adhere to co-marketing guidelines under RESPA Section 8, Sente Mortgage has created a Co-branding policy. This policy has been created to ensure proper compliance with RESPA in all Sente marketing materials that are co-branded.. Below is RESPA Section 8:

When two or more settlement service providers co-market their businesses through advertisements such as printed flyers, online banners or real estate portal web pages, the advertising efforts may be subject to analysis under the Real Estate Settlement Procedures Act (RESPA). In 2010, Congress passed the Dodd-Frank Act, which transferred RESPA's rulemaking and enforcement authority from the U.S. Department of Housing and Urban Development (HUD) to the Consumer Financial Protection Bureau (CFPB), effective July 21, 2011. Since that time, the CFPB has not issued formal RESPA guidance on co-branded or joint marketing efforts, so settlement service providers continue to rely on HUD's previous guidance on co-branding or joint marketing activities. Based on HUD's guidance, co-marketing by parties who may also be engaged in referral relationships generally remains permissible under RESPA if:

- Both parties pay their proper share of the advertisement. For example, if both parties are represented 50/50 on the advertisement, each is responsible for half of the advertising expense;
- The arrangement does not involve discounts on expenses that otherwise would be incurred by persons in a position to refer settlement services or business.

To minimize risk of liabilities for RESPA violations, settlement service providers should consider the following practices:

- What constitutes the proper share should be based on the proportionate split of the fair market value for the creation/design, printing, mailing, and other services in connection with the advertisement.
- The charge to each provider whose goods or services are advertised should be equal to that provider's share of the advertising cost in direct proportion to its prominence in the advertising.

CO-BRANDING PARAMETERS

- Co-branded marketing cannot ever be done in exchange for referrals, or any form of incentive from a settlement provider, builder, or other industry professional.
- Co-branded marketing must always share costs proportionally.
- The license information of the referral partner with whom a Mortgage Banker co-brands a Leaf flyer MUST be included on the flyer.

Leaf flyers can be co-branded and shared with referral partners. The Leaf system is designed to comply with and encourage a proportionate share of expense. For example, any design expense using the Leaf system can be easily shared when the loan officer shares a digital copy of a Leaf flyer with a referral partner, who can then cover the expense required to print and distribute paper copies.

EXAMPLE OF A CO-BRANDED LEAF FLYER

FHA Loans

Down Payment	35% minimum
Loan-to-Value	Up to 96.5% for purchase; 97.75% on streamline refinances
FICO Requirements	560 and above. FICO below 600 requires underwriting review process as well as manual underwriting
MIP	Mortgage Insurance is required on all FHA loans regardless of the LTV
Loan Type	Purchase or refinance
Loan Limit	\$384,100 ¹
Loan Terms	15, 20, 25, and 30 year options
Property Type	1-4 unit primary residences, condo, or PUDs. FHA financing is for owner occupied properties only

Sente Mortgage offers FHA loan products to well-qualified borrowers. FHA loans benefit those who would like to purchase a home but haven't been able to put money away for the purchase, like recent college graduates, newlyweds, or people who are still trying to complete their education. It also may allow individuals to qualify for a loan whose credit has been marred by bankruptcy or foreclosure.

To learn more about our FHA loan products, contact your Sente Mortgage Banker for complete details.

¹On a purchase price amount of \$200,000 with a 3% down payment, for a 30 year fixed term at 4.125% interest-rate the estimated monthly payment would be \$2,070.00 a month principal, interest, taxes, and insurance with an estimated APR of 5.982%. Interest rate may or may not vary.



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