

Western Bancorp has adopted the HUD Definition of a Non-Sponsored/Sponsored Third-Party Originator as one in which Western Bancorp (acting as the “sponsor”) permits another entity to act as an originator and originate Mortgages on behalf of the Western Bancorp.

As an approved Third Party Originator with Western Bancorp, we will require all those who originate mortgage loans on behalf of Western Bancorp to comply with the same standards required by Western Bancorp as the HUD Approved Non-Supervised Lender.

These policies are in effect to ensure the borrower’s best interests are protected and no conflicts of interests are present in the transaction.

Western Bancorp will consider the following characteristics in the transaction as a conflict of interest and will not permit the following:

The Mortgage Broker may not permit an employee or agent to have multiple roles in a single FHA-insured transaction. Employees and agents are prohibited from having multiple sources of compensation, either directly or indirectly, from a single FHA-insured transaction.

Examples of transactions that do not meet the Western Bancorp FHA Dual Relationship policy are as follows:

#### Example 1

- Listing Agent-Stacy Cohen, Better Homes and Garden
- Selling Agent-Nick Lane, Lane Estate Homes
- Mortgage Broker-NL Financial, Broker/Owner- Nick Lane
- Loan Agent- Stacy Cohen, Better Homes and Garden

#### Example 2

- Listing Agent-Stacy Cohen, Better Homes and Garden
- Selling Agent-Nick Lane, Lane Estate Homes
- Mortgage Broker-Joe Freeman, Freeman Financial
- Loan Agent-Stacy Cohen

#### Example 3

- Listing Agent-Stacy Cohen, Better Homes and Garden
- Selling Agent-Marcus Wells, Better Homes and Garden
- Mortgage Broker-BHG Financial a DBA of Better Homes and Garden
- Loan Agent-Cathy Laguna, BHF Financial

This policy should not be confused with the FHA Policy pertaining to Identity of Interest transactions. Western Bancorp will continue to follow the guidance set forth in the FHA 4000.1 as it pertains to transactions that exhibit an Identity of Interest (a.k.a. Non-Arm’s Length Transaction-NAL). For information and restrictions pertaining to Identity of Interest refer to [HUD.GOV Housing Handbooks-4000.1](#) Choose Section II. Origination Through Post-Closing/Endorsement A.2.b