



In the event that Pacifica South Bancorp brokers your loan to a lender, the following information applies.

You have applied to Pacifica South Bancorp for a residential mortgage loan. Pacifica South Bancorp may submit your application for a residential mortgage loan to a participating lender with which it from time to time contracts upon such terms and conditions as you may request or a lender may require. The lenders have asked that this form be furnished to you to clarify the role of Pacifica South Bancorp. This form supplements other disclosures or agreements required by law that you should receive from the Pacifica South Bancorp concerning your application.

SECTION 1. NATURE OF RELATIONSHIP. In connection with this mortgage loan:

- The Pacifica South Bancorp may be acting as an independent contractor and not as your agent. If you are unsure of the nature of your relationship, please ask the Pacifica South Bancorp for clarification.
- The Pacifica South Bancorp has separate independent contractor agreements with various lenders.
- While the Pacifica South Bancorp seeks to assist you in meeting our financial needs, it does not distribute the products of all lenders or investors in the market and cannot guarantee the lowest price or best terms available in the market.

SECTION 2. THE BROKER'S COMPENSATION. The lenders whose loan products are distributed by Pacifica South Bancorp generally provide their loan products to the Pacifica South Bancorp at a wholesale rate.

- The retail price Pacifica South Bancorp offers you - your interest rate, total points and fees - will include the brokers' compensation.
- In some cases, Pacifica South Bancorp may be paid all of its compensation by either you or the lender.
- Alternatively, Pacifica South Bancorp may be paid a portion of its compensation by both you and the lender. For example, in some cases, if you would rather pay a lower interest rate, you may pay higher up-front points and fees.
- Also, in some cases, if you would rather pay less up-front, you may be able to have some or all of the Pacifica South Bancorp's fees paid directly by the lender, which will result in a higher interest rate and higher monthly loan payments than you would otherwise be required to pay.
- The Pacifica South Bancorp also may be paid by the lender based on (i) the value of the Mortgage Loan or related servicing rights in the market place or (ii) other services, goods or facilities performed or provided by Pacifica South Bancorp to the lender.

You may work with Pacifica South Bancorp to select the method in which it receives its compensation depending on your financial needs, subject to the lender's loan program requirements and credit underwriting guidelines

The amount of fees and charges that you pay in connection with your loan will be estimated on your Good Faith Estimate. The final amounts will be disclosed on your HUD-1 or HUD-1A Settlement Statement.

ACKNOWLEDGMENT OF MORTGAGE LOAN APPLICANT: We have read this disclosure form and understand its contents as evidenced by our signature(s) below.

Applicant Signature X	Date X
Applicant Signature X	Date X