

State	First Lien Mortgage Loans	Subordinate Lien Mortgage Loans	Home Equity Lines of Credit
ALABAMA Ala. Code § 5-19-1 <i>et seq.</i> Prepayment Penalty Fees	Prepayment penalty fees are not permissible under Alabama law. The Mini-Code provides that a borrower may prepay a loan in full at any time without penalty. Further, in connection with loans for which the finance charge is precomputed, the lender must refund or credit to the borrower a portion of the finance charge.	Prepayment penalty fees are not permissible under Alabama law. The Mini-Code provides that a borrower may prepay a loan in full at any time without penalty. Further, in connection with loans for which the finance charge is precomputed, the lender must refund or credit to the borrower a portion of the finance charge.	Prepayment penalty fees are not permissible under Alabama law. The Mini-Code provides that a borrower may prepay a loan in full at any time without penalty. Further, in connection with loans for which the finance charge is precomputed, the lender must refund or credit to the borrower a portion of the finance charge.
State	First Lien Mortgage Loans	Subordinate Lien Mortgage Loans	Home Equity Lines of Credit
ALASKA Prepayment Penalty Fees	Not permissible except on federally insured loans that require prepayment penalty fees.	Not permissible except on federally insured loans that require prepayment penalty fees.	Not permissible except on federally insured loans that require prepayment penalty fees.
State	First Lien Mortgage Loans	Subordinate Lien Mortgage Loans	Home Equity Lines of Credit
ARIZONA Ariz. Rev. Stat. Ann. §§ 6-941 – 6-948. Prepayment Penalty Fees	A mortgage banker may charge any prepayment penalty fee that the borrower agrees to pay, so long as the fee is customary.	A mortgage banker may charge any prepayment penalty fee that the borrower agrees to pay, so long as the fee is customary.	In connection with open-end loans for \$10,000 or less, a mortgage banker may not collect a prepayment penalty.
State	First Lien Mortgage Loans	Subordinate Lien Mortgage Loans	Home Equity Lines of Credit
ARKANSAS Ark. Code Ann. § 23-39-101 <i>et seq.</i> Prepayment Penalty Fees Arkansas (continued)	A lender may not make a mortgage loan that contains a penalty for prepayment if the prepayment is made after the expiration of the thirty-six month period immediately following the date on which the loan was made. For prepayment	A lender may not make a mortgage loan that contains a penalty for prepayment if the prepayment is made after the expiration of the thirty-six month period immediately following the date on which the loan was made. For prepayment	A lender may not make a mortgage loan that contains a penalty for prepayment if the prepayment is made after the expiration of the thirty-six month period immediately following the date on which the loan was made. For prepayment

	<p>penalties within the thirty-six month period, the fee may not exceed the greater of: (a) 3% of the principal loan amount remaining on the date of prepayment, if the prepayment is made within the first twelve (12) month period immediately following the date the loan was made; (b) 2% of the principal loan amount remaining on the date of prepayment, if the prepayment is made within the second twelve (12) month period immediately following the date the loan was made; (c) 1% of the principal loan amount remaining on the date of prepayment, if the prepayment is made within the third twelve (12) month period immediately following the date the loan was made; or (d) an amount equal to interest for six (6) months calculated on 80% of the remaining principal balance due on the mortgage loan as of the date the prepayment is made.</p>	<p>penalties within the thirty-six month period, the fee may not exceed the greater of: (a) 3% of the principal loan amount remaining on the date of prepayment, if the prepayment is made within the first twelve (12) month period immediately following the date the loan was made; (b) 2% of the principal loan amount remaining on the date of prepayment, if the prepayment is made within the second twelve (12) month period immediately following the date the loan was made; (c) 1% of the principal loan amount remaining on the date of prepayment, if the prepayment is made within the third twelve (12) month period immediately following the date the loan was made; or (d) an amount equal to interest for six (6) months calculated on 80% of the remaining principal balance due on the mortgage loan as of the date the prepayment is made.</p>	<p>penalties within the thirty-six month period, the fee may not exceed the greater of: (a) 3% of the principal loan amount remaining on the date of prepayment, if the prepayment is made within the first twelve (12) month period immediately following the date the loan was made; (b) 2% of the principal loan amount remaining on the date of prepayment, if the prepayment is made within the second twelve (12) month period immediately following the date the loan was made; (c) 1% of the principal loan amount remaining on the date of prepayment, if the prepayment is made within the third twelve (12) month period immediately following the date the loan was made; or (d) an amount equal to interest for six (6) months calculated on 80% of the remaining principal balance due on the mortgage loan as of the date the prepayment is made.</p>	
<p>State</p>	<p>First and Subordinate Lien Mortgage Loans Made Pursuant to the Residential Mortgage Lending Act Cal. Fin. Code § 50000 <i>et seq.</i></p>	<p>First and Subordinate Lien Mortgage Loans Made Pursuant to the Finance Lenders Law Cal. Fin. Code § 22000 <i>et seq.</i></p>	<p>First and Subordinate Lien Mortgage Loans Made Pursuant to the Real Estate Law Cal. Bus. & Prof. Code § 10000 <i>et seq.</i></p>	

<p>CALIFORNIA Prepayment Penalty Fees</p>	<p>Under California law, a lender may charge a prepayment penalty within the first 5 years of the loan to amounts prepaid within any 12-month period that exceed 20% of the original principal balance of the loan. The maximum permissible penalty fee is 6 months' advance interest on the amount that exceeds 20% of the original principal amount paid within the 12-month period.</p>	<p>Under California law, a lender may charge a prepayment penalty within the first 5 years of the loan to amounts prepaid within any 12-month period that exceed 20% of the original principal balance of the loan. The maximum permissible penalty fee is 6 months' advance interest on the amount that exceeds 20% of the original principal amount paid within the 12-month period.</p>	<p>Under California law, a lender may charge a prepayment penalty within the first 5 years (7 years if the loan is secured by property improved by 1 residential dwelling that is occupied by the owner) of the loan to amounts prepaid within any 12-month period that exceed 20% of the original principal balance of the loan. The maximum permissible penalty fee is 6 months' advance interest on the amount that exceeds 20% of the original principal amount paid within the 12-month period. Under California law, a lender may charge a prepayment penalty within the first 5 years (7 years if the loan is secured by property improved by 1 residential dwelling that is occupied by the owner) of the loan to amounts prepaid within any</p>	
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			12-month period that exceed 20% of the original principal balance of the loan. The maximum permissible penalty fee is 6 months' advance interest on the amount that exceeds 20% of the original principal amount paid within the 12-month period.	
Colorado	Purchase-Money First Lien Mortgage Loans and Refinance Loans	Non-Purchase-Money First Lien and Subordinate Lien Mortgage Loans	Home Equity Lines of Credit	
Prepayment Penalty Fees	<p>There are no laws or regulations affecting the prepayment penalty fees that may be charged in connection with purchase-money first lien mortgage transactions. Prepayment penalties are not expressly prohibited in connection with purchase-money first lien mortgage transactions.</p> <p>Prepayment penalties are limited in connection with Covered Loans. A prepayment penalty will be permissible in connection with a Covered Loan if it meets the following conditions: (i) the prepayment penalty applies only during the first three years after the date of execution</p>	<p>Prepayment penalty fees are not permissible in connection with non-purchase money first lien mortgage loans or subordinate lien mortgage loans.</p> <p>Prepayment penalties are limited in connection with Covered Loans. A prepayment penalty will be permissible in connection with a Covered Loan if it meets the following conditions: (i) the prepayment penalty applies</p>	Depends on whether a purchase-money or non-purchase-money transaction.	

	<p>of the Covered Loan; (ii) the prepayment penalty is in connection with a refinance to a different lender other than pursuant to a sale; (iii) the prepayment penalty does not exceed six months' interest; (iv) the prepayment penalty applies to a Covered Loan secured by a first mortgage, deed of trust, or security interest to refinance, by amendment, payoff or otherwise, an existing purchase money loan, including a refinance loan providing additional sums of money for any purpose; (v) the lender offers the obligor the option of choosing a loan product without a prepayment penalty fee.</p> <p>Under no circumstances may a prepayment penalty be imposed after the third year of the loan, pursuant to a refinance by the same lender, or in connection with a partial prepayment. Prepayment penalties are prohibited on a refinance of a Covered Loan if the Covered Loan being refinanced is owned by the refinancing lender at the time of the refinancing transaction.</p>	<p>only during the first three years after the date of execution of the Covered Loan; (ii) the prepayment penalty is in connection with a refinance to a different lender other than pursuant to a sale; (iii) the prepayment penalty does not exceed six months' interest; (iv) the prepayment penalty applies to a Covered Loan secured by a first mortgage, deed of trust, or security interest to refinance, by amendment, payoff or otherwise, an existing purchase money loan, including a refinance loan providing additional sums of money for any purpose; (v) the lender offers the obligor the option of choosing a loan product without a prepayment penalty fee.</p> <p>Under no circumstances</p>		
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		<p>may a prepayment penalty be imposed after the third year of the loan, pursuant to a refinance by the same lender, or in connection with a partial prepayment. Prepayment penalties are prohibited on a refinance of a Covered Loan if the Covered Loan being refinanced is owned by the refinancing lender at the time of the refinancing transaction.</p>		
Connecticut	First Lien Mortgage Loans	Subordinate Lien Mortgage Loans	Home Equity Lines of Credit	
Prepayment Penalty Fees	<p>Prepayment penalty fees are permissible. The State of Connecticut does not impose any limitations or restrictions on the amount that a lender may charge as a prepayment penalty fee. However, any prepayment penalty fee charged must be reasonable in amount and must be disclosed to the borrower.</p> <p>Prepayment penalties are limited in connection with Covered Loans. A prepayment penalty will be permissible in connection with a Covered Loan if it meets the following conditions:</p>	<p>A prepayment penalty fee may be charged by a mortgage lender licensee in connection with a loan that is prepaid within three (3) years after closing. The maximum permissible prepayment penalty fee is 5%.</p> <p>Prepayment penalties are limited in connection with Covered Loans. A prepayment penalty will be</p>	<p>Depends on whether the transaction is secured by a first or subordinate lien mortgage.</p> <p>Prepayment penalties are limited in connection with Covered Loans. A prepayment penalty will be permissible in connection with a Covered Loan if it meets the following conditions: (i) the prepayment penalty applies</p>	

	<p>(i) the prepayment penalty applies only during the first three years following consummation; (ii) the prepayment penalty fee does not exceed 3% of the balance prepaid in the first year after consummation of the loan; or (iii) 2% of the balance prepaid for any payment occurring between one and two years after the consummation of the loans; or (iv) 1% of the balance prepaid for any payment occurring between two and three years after consummation of the loan; and (v) the source of the prepayment funds is not a refinancing by the Lender or an affiliate of the Lender; and (vi) at consummation, the borrower's total monthly debts, including amounts owed under the High Cost Home Loan, do not exceed 50% of the borrower's monthly gross income.</p>	<p>permissible in connection with a Covered Loan if it meets the following conditions: (i) the prepayment penalty applies only during the first three years following consummation; (ii) the prepayment penalty fee does not exceed 3% of the balance prepaid in the first year after consummation of the loan; or (iii) 2% of the balance prepaid for any payment occurring between one and two years after the consummation of the loans; or (iv) 1% of the balance prepaid for any payment occurring between two and three years after consummation of the loan; and (v) the source of the prepayment funds is not a refinancing by the Lender or an affiliate of the Lender; and (vi) at consummation, the borrower's total monthly debts, including</p>	<p>only during the first three years following consummation; (ii) the prepayment penalty fee does not exceed 3% of the balance prepaid in the first year after consummation of the loan; or (iii) 2% of the balance prepaid for any payment occurring between one and two years after the consummation of the loans; or (iv) 1% of the balance prepaid for any payment occurring between two and three years after consummation of the loan; and (v) the source of the prepayment funds is not a refinancing by the Lender or an affiliate of the Lender; and (vi) at consummation, the borrower's total monthly debts, including amounts owed under the High Cost Home Loan, do not exceed 50% of the borrower's monthly gross income.</p>	
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		amounts owed under the High Cost Home Loan, do not exceed 50% of the borrower's monthly gross income.		
Delaware	First Lien Mortgage Loans	Subordinate Lien Mortgage Loans	Home Equity Lines of Credit	
Prepayment Penalty Fees	Prepayment penalty fees are permissible, but must be specified in the loan agreement.	Prepayment penalty fees are permissible, but must be specified in the loan agreement.	Prepayment penalty fees are permissible, but must be specified in the loan agreement.	
District of Columbia	First Lien Mortgage Loans	Subordinate Lien Mortgage Loans	Home Equity Lines of Credit	
Prepayment Penalty Fees	Under District of Columbia law, prepayment penalties may only be charged during the first 3 years of the loan. The maximum permissible prepayment penalty is 2 months advance interest on the aggregate amount of all prepayments in excess of 1/3 of the principal amount of the loan made during any 12-month period.	Under District of Columbia law, prepayment penalties may only be charged during the first 3 years of the loan. The maximum permissible prepayment penalty is 2 months advance interest on the aggregate amount of all prepayments in excess of 1/3 of the principal amount of the loan made during any 12-month period.	Under District of Columbia law, prepayment penalties may only be charged during the first 3 years of the loan. The maximum permissible prepayment penalty is 2 months advance interest on the aggregate amount of all prepayments in excess of 1/3 of the principal amount of the loan made during any 12-month period.	
Florida	First Lien Mortgage Loans	Subordinate Lien Mortgage Loans	Home Equity Lines of Credit	
Prepayment Penalty Fees	Under Florida law, prepayment penalty fees are permissible if they are included in the	Under Florida law, prepayment penalty fees are permissible if they	Under Florida law, prepayment penalty fees are permissible if they	

	<p>promissory note.</p> <p>Prepayment penalties in connection with High-Cost Home Loans are limited. A prepayment penalty is only allowed within the first 36 months after the date of consummation of the High-Cost Home Loan if the borrower has been offered another loan product without a prepayment penalty and a prepayment penalty disclosure is provided to the borrower.</p>	<p>are included in the promissory note.</p> <p>Prepayment penalties in connection with High-Cost Home Loans are limited. A prepayment penalty is only allowed within the first 36 months after the date of consummation of the High-Cost Home Loan if the borrower has been offered another loan product without a prepayment penalty and a prepayment penalty disclosure is provided to the borrower.</p>	<p>are included in the promissory note.</p> <p>Prepayment penalties in connection with High-Cost Home Loans are limited. A prepayment penalty is only allowed within the first 36 months after the date of consummation of the High-Cost Home Loan if the borrower has been offered another loan product without a prepayment penalty and a prepayment penalty disclosure is provided to the borrower.</p>	
Georgia	First Lien Mortgage Loans	Subordinate Lien Mortgage Loans	Home Equity Lines of Credit	
Prepayment Penalty Fees	<p>Permissible. However, no prepayment penalty fee may be charged unless the security deed, mortgage, or deed of trust specifically provides for such. Georgia does not expressly regulate prepayment penalty fees.</p> <p>A High-Cost Home Loan may not provide for prepayment penalties in the loan documents or charged the borrower after the last day of the 24th month following the</p>	<p>Permissible. However, no prepayment penalty fee may be charged unless the security deed, mortgage, or deed of trust specifically provides for such. Georgia does not expressly regulate prepayment penalty fees.</p> <p>A High-Cost Home Loan may</p>	<p>Permissible. However, no prepayment penalty fee may be charged unless the security deed, mortgage, or deed of trust specifically provides for such. Georgia does not expressly regulate prepayment penalty fees.</p> <p>A High-Cost Home Loan may</p>	

	<p>loan closing or which exceed in the aggregate: (i) in the first twelve months after the loan closing, more than 2% of the loan amount prepaid, or (ii) in the second twelve months after the loan closing, more than 1% of the amount prepaid.</p>	<p>not provide for prepayment penalties in the loan documents or charged the borrower after the last day of the 24th month following the loan closing or which exceed in the aggregate: (i) in the first twelve months after the loan closing, more than 2% of the loan amount prepaid, or (ii) in the second twelve months after the loan closing, more than 1% of the amount prepaid.</p>	<p>not provide for prepayment penalties in the loan documents or charged the borrower after the last day of the 24th month following the loan closing or which exceed in the aggregate: (i) in the first twelve months after the loan closing, more than 2% of the loan amount prepaid, or (ii) in the second twelve months after the loan closing, more than 1% of the amount prepaid.</p>	
Hawaii	First Lien Mortgage Loans	Subordinate Lien Mortgage Loans	Home Equity Lines of Credit	
	<p>Prepayment penalty fees are permissible because Hawaii law does not expressly limit or restrict prepayment penalty fees. A lender may charge any prepayment penalty fee agreed by the borrower.</p> <p>Please note that “financial services loan companies” are subject to fee limitations, disclosure requirements, record retention requirements, and other requirements contained in Hawaii’s Code of Financial Institutions which are not discussed in iComply®.</p>	<p>Prepayment penalty fees are permissible because Hawaii law does not expressly limit or restrict prepayment penalty fees. A lender may charge any prepayment penalty fee agreed by the borrower.</p> <p>Please note that “financial services loan companies” are subject to fee limitations, disclosure requirements,</p>	<p>Prepayment penalty fees are permissible because Hawaii law does not expressly limit or restrict prepayment penalty fees. A lender may charge any prepayment penalty fee agreed by the borrower.</p> <p>Please note that “financial services loan companies” are subject to fee limitations, disclosure requirements,</p>	

		record retention requirements, and other requirements contained in Hawaii’s Code of Financial Institutions which are not discussed in iComply®.	record retention requirements, and other requirements contained in Hawaii’s Code of Financial Institutions which are not discussed in iComply®.	
Iowa	First Lien Mortgage Loans	Subordinate Lien Mortgage Loans	Home Equity Lines of Credit	
	Under Iowa law, prepayment penalty fees are prohibited on “home acquisition loans” or “consumer loans”. This includes refinancings and assumptions of “home acquisition loans”. On other loans, a lender may collect a prepayment penalty agreed by the borrower.	Under Iowa law, on “consumer loans” and “supervised loans” prepayment penalty fees are prohibited.	Under Iowa law, prepayment penalty fees are not permissible on open-end loans.	
Idaho	First Lien Mortgage Loans	Subordinate Lien Mortgage Loans	Home Equity Lines of Credit	
	Idaho does not place any limitations on the amount of the prepayment penalty that may be charged.	Prepayment penalty fees are permissible, but may only be charged within 3 years after closing. The maximum permissible prepayment penalty is an amount equal to 6 months interest calculated on the average outstanding balance for the prior 6 months.	Depends on whether the transaction is secured by a first or subordinate lien mortgage.	
Illinois	First Lien Mortgage Loans	Subordinate Lien Mortgage Loans:	Subordinate Lien Mortgage Loans:	Home Equity Lines of Credit

		More than \$25,000	\$25,000 and Less	
	<p>No prepayment penalty may be charged on loans bearing a rate of interest exceeding 8% per annum.</p> <p>There are no limits on prepayment penalties that may be charged on loans bearing a rate of interest that does not exceed 8% per annum.</p> <p>Prepayment penalties are limited in High Risk Home Loans. In the first year of the loan, a lender may charge a 3% prepayment penalty fee. In the second year of the loan, a lender may charge a 2% prepayment penalty fee. In the third year of the loan, the lender may charge a 1% prepayment penalty fee. After the first three years of the loan, prepayment penalty fees are forbidden in connection with High Risk Home Loans.</p>	<p>No prepayment penalty may be charged on loans bearing a rate of interest exceeding 8% per annum.</p> <p>There are no limits on prepayment penalties that may be charged on loans bearing a rate of interest that does not exceed 8% per annum.</p> <p>Prepayment penalties are limited in High Risk Home Loans. In the first year of the loan, a lender may charge a 3% prepayment penalty fee. In the second year of the loan, a lender may charge a 2% prepayment penalty fee. In the third year of the loan, the lender may charge a 1% prepayment penalty fee. After the first three years of the loan, prepayment penalty fees are forbidden in connection with High Risk Home Loans.</p>	<p>Prepayment penalties are not permissible in connection with non-purchase money subordinate lien loans for which the original principal balance does not exceed \$25,000.</p> <p>Prepayment penalties are limited in High Risk Home Loans. In the first year of the loan, a lender may charge a 3% prepayment penalty fee. In the second year of the loan, a lender may charge a 2% prepayment penalty fee. In the third year of the loan, the lender may charge a 1% prepayment penalty fee. After the first three years of the loan, prepayment penalty fees are forbidden in connection with High Risk Home Loans.</p>	<p>Prepayment penalties are not permissible in connection with home equity lines of credit in the State of Illinois.</p>

Indiana	First Lien Mortgage Loans	Subordinate Lien Mortgage Loans	Home Equity Lines of Credit	
	<p>Prepayment penalty fees are not regulated under Indiana law.</p> <p>Prepayment fees or penalties may not be included in the loan documents for a <i>High Cost Home Loan</i> or charged to the borrower if the fees or penalties exceed in total 2% of the <i>High Cost Home Loan</i> amount prepaid during the first twenty-four (24) months after the <i>High Cost Home Loan</i> closing.</p> <p>A prepayment penalty may not be contracted for after the second year following the <i>High Cost Home Loan</i> closing.</p> <p>A creditor may not include a prepayment penalty in a <i>High Cost Home Loan</i> unless the creditor offers the borrower the option of choosing a loan product without a prepayment fee. The terms of the offer must be made in writing and must be initialed by the borrower.</p>	<p>Under Indiana law, prepayment penalties are permissible if the loan is paid in full within 3 years after closing. The maximum prepayment penalty fee is 2% of the amount prepaid.</p> <p>Prepayment fees or penalties may not be included in the loan documents for a <i>High Cost Home Loan</i> or charged to the borrower if the fees or penalties exceed in total 2% of the <i>High Cost Home Loan</i> amount prepaid during the first twenty-four (24) months after the <i>High Cost Home Loan</i> closing.</p> <p>A prepayment penalty may not be contracted for after the second year following the <i>High Cost Home Loan</i> closing.</p> <p>A creditor may not include a prepayment</p>	<p>Depends on whether the transaction is secured by a first or subordinate lien mortgage.</p>	

		penalty in a <i>High Cost Home Loan</i> unless the creditor offers the borrower the option of choosing a loan product without a prepayment fee. The terms of the offer must be made in writing and must be initialed by the borrower.		
Kansas	First Lien Mortgage Loans	Subordinate Lien Mortgage Loans	Home Equity Lines of Credit	
	Kansas law permits prepayment penalties only during the first six (6) months after the borrower executes the note. A lender may not charge a prepayment penalty fee if the borrower prepays any portion of the loan more than six (6) months after the execution of the promissory note. Kansas law does not limit the amount of the prepayment penalty fee that a lender may charge during the first six (6) months of the loan.	Prepayment penalties are not permissible under the Consumer Credit Code. A debtor may prepay a “consumer loan” at any time without penalty.	Depends on whether the transaction is secured by a first or subordinate lien mortgage and whether the transaction is subject to the Consumer Credit Code.	
Kentucky	First Lien Mortgage Loans	Subordinate Lien Mortgage Loans	Home Equity Lines of Credit	
	Prepayment penalty fees are permissible under Kentucky law. The Mortgage Loan Act provides that a licensed mortgage loan company however, may charge a	Prepayment penalty fees are permissible under Kentucky law. The Mortgage Loan Act provides that a licensed	Prepayment penalty fees are permissible under Kentucky law. The Mortgage Loan Act provides that a licensed	

	<p>prepayment penalty only if a loan is prepaid within five (5) years after closing. No prepayment penalty fee may be charged if a loan is prepaid after the fifth anniversary date of the loan. The prepayment penalty fee charged may not exceed 5% of the loan's outstanding balance on the date of prepayment.</p> <p>The prepayment penalty fee must be "prominently" set forth within the note and on the loan closing statement. The method of computing any rebate, if applicable, must also be disclosed.</p>	<p>mortgage loan company however, may charge a prepayment penalty only if a loan is prepaid within five (5) years after closing. No prepayment penalty fee may be charged if a loan is prepaid after the fifth anniversary date of the loan. The prepayment penalty fee charged may not exceed 5% of the loan's outstanding balance on the date of prepayment.</p> <p>The prepayment penalty fee must be "prominently" set forth within the note and on the loan closing statement. The method of computing any rebate, if applicable, must also be disclosed.</p>	<p>mortgage loan company however, may charge a prepayment penalty only if a loan is prepaid within five (5) years after closing. No prepayment penalty fee may be charged if a loan is prepaid after the fifth anniversary date of the loan. The prepayment penalty fee charged may not exceed 5% of the loan's outstanding balance on the date of prepayment.</p> <p>The prepayment penalty fee must be "prominently" set forth within the note and on the loan closing statement. The method of computing any rebate, if applicable, must also be disclosed.</p>	
Louisiana	First Lien Mortgage Loans	Subordinate Lien Mortgage Loans	Home Equity Lines of Credit	
	Under Louisiana law, a lender may charge a prepayment penalty if the loan is prepaid within 5 years, as follows: 5% if prepaid during the	On consumer loans that are contractually made subject to the Residential Mortgage Lending	Depends on whether the transaction is secured by a first or subordinate lien mortgage.	

	<p>first year. 4% if prepaid during the second year. 3% if prepaid during the third year. 2% if prepaid during the fourth year. 1% if prepaid during the fifth year.</p>	<p>Act, a lender may charge a prepayment penalty if the loan is prepaid within 5 years, as follows: 5% if prepaid during the first year. 4% if prepaid during the second year. 3% if prepaid during the third year. 2% if prepaid during the fourth year. 1% if prepaid during the fifth year.</p>		
Massachusetts	First Lien Mortgage Loans	Subordinate Lien Mortgage Loans	Home Equity Lines of Credit	
	<p>Prepayment penalties are permissible under Massachusetts law, but are subject to limitation. The maximum prepayment penalty is the first year's interest or three (3) months' interest, whichever amount is less. However, if a loan is paid within 36 months from the date of the note because it is refinanced by another lender, the prepayment penalty may not exceed three (3) months' interest. In addition, on a loan that is insured by FHA, the mortgagor may be required to reimburse the mortgagee to the full amount of any charges,</p>	<p>Prepayment penalties are permissible under Massachusetts law, but are subject to limitation. The maximum prepayment penalty is the first year's interest or three (3) months' interest, whichever amount is less. However, if a loan is paid within 36 months from the date of the note because it is refinanced by another lender, the prepayment penalty may not</p>	<p>Depends on whether the transaction is secured by a first or subordinate lien mortgage.</p> <p>Prepayment penalties are limited in connection with High Cost Home Loans.</p>	

	<p>premiums, or fees required by any statute or by any regulation of FHA to be paid by the mortgagee upon prepayment of such note before the date fixed for payment.</p> <p>No prepayment fee or additional penalty shall be payable by a mortgagor if the mortgage note is paid in full after 36 months from the date of the note.</p> <p>In addition, the regulations issued by the Office of the Attorney General provide that it is an unfair or deceptive act or practice for a Lender to charge a prepayment penalty fee that significantly deviates from industry-wide standards, or is otherwise unconscionable.</p> <p>Prepayment penalties are limited in connection with High Cost Home Loans.</p>	<p>exceed three (3) months' interest. In addition, on a loan that is insured by FHA, the mortgagor may be required to reimburse the mortgagee to the full amount of any charges, premiums, or fees required by any statute or by any regulation of FHA to be paid by the mortgagee upon prepayment of such note before the date fixed for payment.</p> <p>No prepayment fee or additional penalty shall be payable by a mortgagor if the mortgage note is paid in full after 36 months from the date of the note.</p> <p>The regulations issued by the Office of the Attorney General provide that it is an unfair or deceptive act or practice for a Lender to charge a prepayment penalty fee that significantly deviates from</p>		
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		<p>industry-wide standards, or is otherwise unconscionable.</p> <p>Prepayment penalties are not permissible on loans that are secured by property which has an assessed value of \$40,000 or less. In addition, a prepayment penalty fee may not be charged on any loan for which maturity date is accelerated by the borrower's default.</p> <p>Prepayment penalties are limited in connection with High Cost Home Loans.</p>		
Maryland	Subtitle 1: First Lien Mortgage Loans	Subtitle 4: Subordinate Lien Mortgage Loans	Subtitle 9: Open-end Mortgage Loans	Subtitle 10: Closed-end Mortgage Loans
	<p>Under Maryland law, a lender may not charge a prepayment penalty fee if the rate of interest on the loan exceeds 8% per annum. If the interest rate is 8% or less, a lender may charge a prepayment penalty within the first 3 years of the loan. The maximum permissible penalty is 2 month's</p>	<p>Prepayment penalty fees are not permissible under Subtitle 4.</p>	<p>Prepayment penalty fees are not permissible under Subtitle 9.</p>	<p>Prepayment penalty fees are not permissible under Subtitle 10.</p>

	advance interest on the aggregate amount of all prepayments made within a 12-month period that exceed 1/3 of the original amount of the loan.			
Maine	First Lien Mortgage Loans	Subordinate Lien Mortgage Loans	Home Equity Lines of Credit	
	<p>A lender may charge a prepayment penalty only in connection with a first lien fixed-rate closed-end loan. In connection with such transactions a lender may charge any prepayment fee agreed to by the borrower. A lender may not charge a prepayment penalty fee in connection with any other type of loan product.</p> <p>Prepayment penalties in connection with High-Rate, High Fee Mortgages are permissible only if: (i) at the time the mortgage is consummated, the consumer is not liable for an amount of monthly indebtedness payments, including the amount of credit extended, that is greater than 50% of the monthly gross income of the consumer, and the income and expenses of the consumer are verified by a financial statement signed by the consumer, by a credit report and, in the case of employment income, by payment records or by verification from the employer of the consumer; (ii) the penalty</p>	<p>Traditional prepayment penalty fees are not permissible. A <i>Supervised Financial Organization</i> may assess a reasonable prepayment charge, expressed as a dollar amount disclosed in the Note. The amount of the prepayment charge that may actually be collected from the borrower is limited to the amount of closing costs incurred by the <i>Supervised Financial Organization</i>, disclosed and itemized on the Note, and waived by the <i>Supervised Financial Organization</i>. The amount collected is also limited based on the time of prepayment. If the loan is prepaid within twelve (12) months of the</p>	<p>Depends on the lien position of the loan.</p>	

	<p>applies only to a prepayment made with amounts obtained by the consumer by means other than a refinancing by the creditor under the mortgage or an affiliate of that creditor; (iii) the penalty does not apply after the end of the 5-year period beginning on the date the mortgage is consummated; and (iv) the penalty is not prohibited under other applicable law.</p>	<p>loan's closing date, the <i>Supervised Financial Organization</i> may collect up to the full amount disclosed in the Note. If the loan is prepaid between 13 to 24 months of the closing date, the <i>Supervised Financial Organization</i> may collect no more than 50% of the amount disclosed in the Note. No prepayment charge may be collected more than 24 months after loan closing.</p> <p>The prepayment charge described above may not be collected in the following circumstances: (a) In connection with a <i>High-Rate, High-Fee</i> mortgage, (b) if the loan is refinanced by the original lender, (c) if the consumer prepays the loan in response to a change in terms notification, (d) if the consumer makes payments on the loan in</p>		
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		amounts larger than required under the Note and the lender accepts the payments, and (e) if the consumer prepays the loan in response to the lender's exercise of its right to accelerate the loan in the event of default.		
Michigan	First Lien Mortgage Loans	Subordinate Lien Mortgage Loans	Home Equity Lines of Credit	
	A maximum prepayment penalty of 1% may be charged to prepayments made within three (3) years after closing. No prepayment penalty may be charged to payments made after the expiration of three (3) years after closing.	A maximum prepayment penalty of 1% may be charged to prepayments made within three (3) years after closing. No prepayment penalty may be charged to payments made after the expiration of three (3) years after closing.	Prepayment penalties are only permitted on first-lien open end loans. A maximum prepayment penalty of 1% may be charged to prepayments made within three (3) years after closing. No prepayment penalty may be charged to payments made after the expiration of three (3) years after closing.	
Minnesota	First Lien Mortgage Loans	Subordinate Lien Mortgage Loans	Home Equity Lines of Credit	
	Under Minnesota law, prepayment penalties may not be charged on partial prepayments, upon sale of the property, or after 42 months after the note	On loans that are not subject to the Regulated Loan Act, prepayment penalties may not be charged on	Depends on whether the transaction is secured by a first or subordinate lien mortgage.	

	<p>date. The amount of a prepayment penalty may not exceed the lesser of: (i) an amount equal to 2% of the unpaid principal balance of the loan at prepayment; or (ii) an amount equal to 60 days' interest, at the rate in effect at prepayment on the unpaid principal balance at prepayment.</p> <p>Chapter 58 prohibits financing <i>Lender Fees</i> over 5% of the loan amount.</p>	<p>partial prepayments, upon sale of the property, or after 42 months after the note date. The amount of a prepayment penalty may not exceed the lesser of: (i) an amount equal to 2% of the unpaid principal balance of the loan at prepayment; or (ii) an amount equal to 60 days' interest, at the rate in effect at prepayment on the unpaid principal balance at prepayment.</p> <p>Chapter 58 prohibits financing <i>Lender Fees</i> over 5% of the loan amount.</p> <p>Prepayment penalty fees are not allowed on loans that are subject to the Regulated Loan Act.</p>		
Mississippi	First Lien Mortgage Loans	Subordinate Lien Mortgage Loans	Home Equity Lines of Credit	
	<p>Prepayment penalty fees are permissible under Mississippi law, but are limited to the following:</p> <p>(1) 5% of the unpaid</p>	<p>Prepayment penalty fees are permissible under Mississippi law, but are limited to the following:</p>	<p>Prepayment penalty fees are permissible under Mississippi law, but are limited to the following:</p>	

	<p>principal balance if prepaid during the first year.</p> <p>(2) 4% of the unpaid principal balance if prepaid during the second year.</p> <p>(3) 3% of the unpaid principal balance if prepaid during the third year.</p> <p>(4) 2% of the unpaid principal balance if prepaid during the fourth year.</p> <p>(5) 1% of the unpaid principal balance if prepaid during the fifth year.</p> <p>Under Mississippi law, a lender may not charge a prepayment penalty if the loan is prepaid more than 5 years after closing.</p>	<p>(1) 5% of the unpaid principal balance if prepaid during the first year.</p> <p>(2) 4% of the unpaid principal balance if prepaid during the second year.</p> <p>(3) 3% of the unpaid principal balance if prepaid during the third year.</p> <p>(4) 2% of the unpaid principal balance if prepaid during the fourth year.</p> <p>(5) 1% of the unpaid principal balance if prepaid during the fifth year.</p> <p>Under Mississippi law, a lender may not charge a prepayment penalty if the loan is prepaid more than 5 years after closing.</p>	<p>(1) 5% of the unpaid principal balance if prepaid during the first year.</p> <p>(2) 4% of the unpaid principal balance if prepaid during the second year.</p> <p>(3) 3% of the unpaid principal balance if prepaid during the third year.</p> <p>(4) 2% of the unpaid principal balance if prepaid during the fourth year.</p> <p>(5) 1% of the unpaid principal balance if prepaid during the fifth year.</p> <p>Under Mississippi law, a lender may not charge a prepayment penalty if the loan is prepaid more than 5 years after closing.</p>	
Montana	First Lien Mortgage Loans	Subordinate Lien Mortgage Loans	Home Equity Lines of Credit	
	Prepayment penalty fees are permissible. A lender may charge any prepayment penalty fee that the borrower agrees	Prepayment penalty fees are permissible. A lender may charge any prepayment	Prepayment penalty fees are permissible. A lender may charge any prepayment	

	<p>to pay.</p> <p>Prepayment penalties are restricted under the Consumer Loan Act. The Consumer Loan Act is discussed in detail in iComply.</p>	<p>penalty fee that the borrower agrees to pay.</p> <p>Prepayment penalties are restricted under the Consumer Loan Act. The Consumer Loan Act is discussed in detail in iComply.</p>	<p>penalty fee that the borrower agrees to pay.</p> <p>Prepayment penalties are restricted under the Consumer Loan Act. The Consumer Loan Act is discussed in detail in iComply.</p>	
Missouri	First Lien Mortgage Loans	Subordinate Lien Mortgage Loans	Home Equity Lines of Credit	
	<p>Under Missouri law, prepayment penalty fees are permissible if the loan is made in full within the first 5 years. The maximum prepayment penalty is 2% of the outstanding balance at the time of prepayment. However, if an existing loan is replaced with a new loan made by another lender, and the proceeds of the new loan are used to either pay down or reduce the balance to a smaller amount before paying the loan in full in order to avoid or reduce the amount of the prepayment penalty, the maximum prepayment penalty is 2% of the average daily balance of the prior six (6) months.</p>	<p>Under Missouri law, prepayment penalty fees are permissible if the loan is made in full within the first 5 years. The maximum prepayment penalty is 2% of the outstanding balance at the time of prepayment. However, if an existing loan is replaced with a new loan made by another lender, and the proceeds of the new loan are used to either pay down or reduce the balance to a smaller amount before paying the loan in full in order to avoid or reduce the amount of the prepayment penalty, the maximum</p>	<p>Under Missouri law, prepayment penalty fees are permissible if the loan is made in full within the first 5 years. The maximum prepayment penalty is 2% of the outstanding balance at the time of prepayment. However, if an existing loan is replaced with a new loan made by another lender, and the proceeds of the new loan are used to either pay down or reduce the balance to a smaller amount before paying the loan in full in order to avoid or reduce the amount of the prepayment penalty, the maximum</p>	

		prepayment penalty is 2% of the average daily balance of the prior six (6) months.	prepayment penalty is 2% of the average daily balance of the prior six (6) months.	
North Carolina	First Lien Mortgage Loans	Subordinate Lien Mortgage Loans	Home Equity Lines of Credit	
	<p>Prepayment penalty fees are permissible, except on loans in which:</p> <p>(1) The principal amount borrowed is \$150,000 or less.</p> <p>(2) The borrower is a natural person.</p> <p>(3) The debt is incurred by the borrower primarily for personal, family, or household purposes.</p> <p>(4) The loan is secured by a first mortgage or first deed of trust on real estate upon which there is located or there is to be located a structure or structures designed principally for occupancy of from one to four families which is or will be occupied by the borrower as the borrower's principal dwelling.</p> <p>If the loan does not satisfy one of these conditions, the lender may charge any prepayment penalty fee agreed by the borrower.</p> <p>North Carolina law gives the borrower the right to prepay the loan in whole or in part, without</p>	<p>Except on Article 2 loans, prepayment penalty fees are permissible in North Carolina. On loans for more than \$100,000, the lender may charge any prepayment penalty that the borrower agrees to pay. On loans for \$100,000 or less, a lender may charge a prepayment penalty fee only if the loan is prepaid within 3 years after the first payment of principal. The maximum prepayment penalty fee is 2% of the outstanding balance on the date of prepayment.</p> <p>North Carolina law gives the borrower the right to prepay the loan in whole or in part, without penalty, if the loan instrument fails to</p>	<p>A loan may be a High-cost Home Loan if the loan documents permit the lender to charge or collect prepayment fees of penalties (i) more than 30 months after the loan closing if the borrower has no right or option under the loan documents to repay all or any portion of the outstanding balance of the open-end credit plan at a fixed interest rate over a specified period of time; or (ii) if the borrower has a right or option under the loan documents to repay all or a portion of the outstanding balance of the open-end credit plan at a fixed interest rate over a specified period of time, more than 30 months after</p>	

	<p>penalty, if the loan instrument fails to explicitly state the borrower's rights with respect to prepayment, or where the prepayment provision is not in accordance with North Carolina law. Thus, the lender may not charge a prepayment penalty fee if the promissory note, mortgage, and deed of trust do not contain a prepayment penalty provision.</p> <p>A loan may be a <i>High-cost Home Loan</i> if the loan documents permit the lender to charge or collect prepayment fees or penalties more than 30 months after closing or which exceed, in the aggregate, more than 2% of the amount prepaid.</p> <p>See the definition of "points and fees" in connection with High Cost Home Loans.</p> <p>A lender may not finance prepayment penalties in a refinancing transaction involving a High Cost Home Loan where the lender or an affiliate is the noteholder of the note being refinanced.</p> <p>A person may not broker a mortgage loan which contains a prepayment penalty if the principal</p>	<p>explicitly state the borrower's rights with respect to prepayment, or where the prepayment provision is not in accordance with North Carolina law. Thus, the lender may not charge a prepayment penalty fee if the promissory note, mortgage, and deed of trust do not contain a prepayment penalty provision.</p> <p>A loan may be a <i>High-cost Home Loan</i> if the loan documents permit the lender to charge or collect prepayment fees or penalties more than 30 months after closing or which exceed, in the aggregate, more than 2% of the amount prepaid.</p> <p>See the definition of "points and fees" above in connection with High Cost Home Loans.</p> <p>A lender may not finance</p>	<p>the date the borrower voluntarily exercises that right or option; or (iii) which exceed, in the aggregate, more than 2% of the amount prepaid.</p> <p>See the definition of "points and fees" above in connection with High Cost Home Loans.</p> <p>A person may not broker a mortgage loan which contains a prepayment penalty if the principal amount of the loan is \$150,000 or less.</p>	
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	amount of the loan is \$150,000 or less.	<p>prepayment penalties in a refinancing transaction involving a High Cost Home Loan where the lender or an affiliate is the noteholder of the note being refinanced.</p> <p>A person may not broker a mortgage loan which contains a prepayment penalty if the principal amount of the loan is \$150,000 or less.</p>		
North Dakota	First Lien Mortgage Loans	Subordinate Lien Mortgage Loans	Home Equity Lines of Credit	
	Prepayment penalty fees are permissible under North Dakota law, provided they are disclosed to the borrower.	Prepayment penalty fees are permissible under North Dakota law, provided they are disclosed to the borrower.	Prepayment penalty fees are permissible under North Dakota law, provided they are disclosed to the borrower.	
Nebraska	First Lien Mortgage Loans	Subordinate Lien Mortgage Loans	Home Equity Lines of Credit	
	Prepayment penalty fees are permissible, provided they are “reasonable and necessary.”	Prepayment penalty fees are permissible, provided they are “reasonable and necessary.”	Prepayment penalty fees are permissible, provided they are “reasonable and necessary.”	
New Hampshire	First Lien Mortgage Loans	Subordinate Lien Mortgage Loans	Home Equity Lines of Credit	
	Prepayment penalty fees are permissible under New Hampshire law, so long as the lender	Prepayment penalty fees are permissible under New Hampshire	Prepayment penalty fees are permissible under New Hampshire	

	discloses the purpose and amount of the fee to the borrower in writing within 3 business days after receiving the loan application. In addition, the prepayment penalty fee must also be disclosed in the note or an addendum to the note.	law, so long as the lender discloses the purpose and amount of the fee to the borrower in writing within 3 business days after receiving the loan application. In addition, the prepayment penalty fee must also be disclosed in the note or an addendum to the note. A prepayment penalty may be charged only if the loan has been in existence for less than five years.	law, so long as the lender discloses the purpose and amount of the fee to the borrower in writing within 3 business days after receiving the loan application. In addition, the prepayment penalty fee must also be disclosed in the note or an addendum to the note.	
New Jersey	First Lien Mortgage Loans	Subordinate Lien Mortgage Loans	Home Equity Lines of Credit	
	Under New Jersey law, borrower may repay a first lien mortgage loan at any time without penalty. A borrower may prepay a loan in full or in part. During any 6-month period, the borrower may pay an additional amount of \$50, or multiples thereof, so long as the additional amount paid during those six (6) months does not exceed 1/3 of the face amount of the loan.	Under New Jersey law, borrower may repay a subordinate lien mortgage loan at any time without penalty. A borrower may prepay a loan in full or in part. During any 6-month period, the borrower may pay an additional amount of \$50, or multiples thereof, so long as the additional amount paid during those six (6) months does not exceed 1/3 of the face	Under New Jersey law, borrower may repay a loan at any time without penalty. A borrower may prepay a loan in full or in part. During any 6-month period, the borrower may pay an additional amount of \$50, or multiples thereof, so long as the additional amount paid during those six (6) months does not exceed 1/3 of the face amount of the	

		amount of the loan.	loan.	
New Mexico	First Lien Mortgage Loans	Subordinate Lien Mortgage Loans	Home Equity Lines of Credit	
	Under New Mexico law, prepayment penalty fees are not permissible.	Under New Mexico law, prepayment penalty fees are not permissible.	Under New Mexico law, prepayment penalty fees are not permissible.	
New York	First Lien Closed-End Mortgage Loans	Subordinate Lien Closed-End Mortgage Loans	First Lien Open-End Mortgage Loans	Subordinate Lien Open-End Mortgage Loans
	Under New York law, if the loan contract so provides, a lender may charge a prepayment penalty fee if a loan is prepaid within one year after closing. There are different prepayment penalty limitations in connection with "alternative mortgage" transactions under New York law. Prepayment penalty fees are permissible on alternative mortgage transactions if, according to the note and mortgage, the interest rate remains fixed for at least five (5) years, and the loan contract provides for a prepayment penalty.	Under New York law, if the loan contract so provides, a lender may charge a prepayment penalty fee if a loan is prepaid within one year after closing. In addition, the interest rate must be fixed for at least five (5) years.	Not permissible.	Not permissible.
Nevada	First Lien Mortgage Loans	Subordinate Lien Mortgage Loans	Home Equity Lines of Credit	
	Under Nevada law, a lender may charge any prepayment penalty fee that the borrower agrees	Under Nevada law, a lender may charge any prepayment	Under Nevada law, a lender may charge any prepayment	

	<p>to pay in writing.</p> <p>It is an unfair lending practice for a lender to finance a prepayment fee in connection with the refinancing by the original borrower of a Home Loan owned by the lender or an affiliate of the lender.</p>	<p>penalty fee that the borrower agrees to pay in writing.</p> <p>It is an unfair lending practice for a lender to finance a prepayment fee in connection with the refinancing by the original borrower of a Home Loan owned by the lender or an affiliate of the lender.</p>	<p>penalty fee that the borrower agrees to pay in writing.</p>	
Ohio	First Lien Mortgage Loans	Subordinate Lien Mortgage Loans	Home Equity Lines of Credit	
	<p>The State of Ohio restricts the collection of prepayment penalty fees in connection with first lien residential mortgage loans. Prepayment penalty fees may only be charged during the first five (5) years of the loan. Specifically, in connection with a loan made on or after November 4, 1975, the borrower may prepay or refinance the loan without penalty after five (5) years from the execution of the mortgage. The maximum prepayment penalty fee that may be charged is 1% of the original principal balance of the mortgage loan.</p> <p>Prepayment penalties are</p>	<p>The State of Ohio restricts the collection of prepayment penalty fees in connection with subordinate lien residential mortgage loans. Prepayment penalty fees may only be charged during the first five (5) years of the loan, and may not exceed 1% of the original principal balance of the mortgage loan.</p> <p>Prepayment penalties are not permissible in connection with</p>	<p>Depends on whether the transaction is secured by a first or subordinate lien mortgage.</p>	

	not permissible in connection with Covered Loans, unless the prepayment penalty is imposed in accordance with HOEPA.	Covered Loans, unless the prepayment penalty is imposed in accordance with HOEPA.		
Oklahoma	First Lien Mortgage Loans	Subordinate Lien Mortgage Loans	Home Equity Lines of Credit	
	<p>Prepayment penalty fees are permissible. Except as otherwise provided, a lender may collect a prepayment penalty fee agreed by the borrower.</p> <p>Prepayment penalties are limited in connection with Subsection 10 Mortgages.</p>	<p>Prepayment penalty fees are not permissible, and any transaction that is a “mortgage,” as that term is defined under the Consumer Credit Code, may not contain a prepayment penalty for paying all or part of the principal before the date on which it is due. Any method of computing a refund of unearned interest is a prepayment penalty if it is less favorable to the consumer than the actuarial method.</p> <p>Prepayment penalties are limited in connection with Subsection 10 Mortgages.</p>	Depends on whether the transaction is secured by a first or subordinate lien mortgage.	
Oregon	First Lien Mortgage Loans	Subordinate Lien Mortgage Loans	Home Equity Lines of Credit	
	Under Oregon law, a lender may charge any	Under Oregon law, a lender may	Under Oregon law, a lender may	

	prepayment penalty fee agreed to by the borrower if the proper disclosures are made.	charge any prepayment penalty fee agreed to by the borrower if the proper disclosures are made.	charge any prepayment penalty fee agreed to by the borrower if the proper disclosures are made.	
Pennsylvania	Open-End and Closed-End First Lien Mortgage Loans for More Than \$50,000	Open-End and Closed-End First Lien Mortgage Loans for \$50,000 or Less	Open-End and Closed-End Subordinate Lien Mortgage Loans for More Than \$50,000	Open-End and Closed-End Subordinate Lien Mortgage Loans for \$50,000 or Less
	<p>Unlimited, so long as the amount of the prepayment penalty fee is agreed by the borrower.</p> <p>Prepayment penalties are limited in connection with Covered Loans.</p>	<p>Prohibited under Pennsylvania law.</p> <p>Prepayment penalties are limited in connection with Covered Loans.</p>	<p>Unlimited, so long as the amount of the prepayment penalty fee is agreed by the borrower.</p> <p>Prepayment penalties are limited in connection with Covered Loans.</p>	<p>Prohibited under Pennsylvania law.</p> <p>Prepayment penalties are limited in connection with Covered Loans.</p>
Rhode Island	First Lien Mortgage Loans	Subordinate Lien Mortgage Loans	Home Equity Lines of Credit	
	<p>Under Rhode Island law, in connection with loans secured by real property improved by one-to-four family dwelling units, a lender may charge a penalty if the loan is prepaid within 1 year of closing. The maximum penalty is 2% of the amount due on the date of prepayment.</p> <p>A lender making a loan secured by a mortgage on real estate located in Rhode Island improved</p>	<p>Under Rhode Island law, in connection with loans secured by real property improved by one-to-four family dwelling units, a lender may charge a penalty if the loan is prepaid within 1 year of closing. The maximum penalty is 2% of the amount due on the</p>	<p>Under Rhode Island law, in connection with loans secured by real property improved by one-to-four family dwelling units, a lender may charge a penalty if the loan is prepaid within 1 year of closing. The maximum penalty is 2% of the amount due on the</p>	

	by up to four (4) dwelling units, may impose a prepayment penalty fee notwithstanding the limitation listed above, but only if certain conditions apply. See Chapter 2, Section III.P for details.	date of prepayment. A lender making a loan secured by a mortgage on real estate located in Rhode Island improved by up to four (4) dwelling units, may impose a prepayment penalty fee notwithstanding the limitation listed above, but only if certain conditions apply. See Chapter 2, Section IV.P for details.	date of prepayment. A lender making a loan secured by a mortgage on real estate located in Rhode Island improved by up to four (4) dwelling units, may impose a prepayment penalty fee notwithstanding the limitation listed above, but only if certain conditions apply. See Chapter 2, Sections III.P and IV.P for details.	
South Carolina	First Lien Mortgage Loans	Subordinate Lien Mortgage Loans	Home Equity Lines of Credit	
	Prepayment penalty fees are prohibited on loans for \$150,000 or less. They are not regulated on loans for more than \$150,000, but may not exceed the “usual and customary” fee charged for the type of loan transaction.	Prepayment penalty fees are prohibited under the Consumer Protection Code.	Depends on whether the transaction is secured by a first or subordinate lien mortgage.	
South Dakota	First Lien Mortgage Loans	Subordinate Lien Mortgage Loans	Home Equity Lines of Credit	
	Prepayment penalty fees are permissible, and are not subject to limitation under South Dakota law. A lender may collect any prepayment penalty fee that the borrower agrees to pay in writing.	Prepayment penalty fees are permissible, and are not subject to limitation under South Dakota law. A lender may collect any prepayment penalty fee that the borrower agrees to pay in	Prepayment penalty fees are permissible, and are not subject to limitation under South Dakota law. A lender may collect any prepayment penalty fee that the borrower agrees to pay in	

		writing.	writing.	
Tennessee	Residential Lending, Brokerage and Servicing Act First Lien Mortgage Loans	Residential Lending, Brokerage and Servicing Act Subordinate Lien Mortgage Loans	Industrial Loan and Thrift Companies Act First Lien Mortgage Loans	
	Under Tennessee law, prepayment penalty fees are permissible if agreed by contract and the amount charged is “fair and reasonable” compensation for the services rendered.	Under Tennessee law, prepayment penalty fees are permissible if agreed by contract and the amount charged is “fair and reasonable” compensation for the services rendered.	Under Tennessee law, prepayment penalty fees are permissible if agreed by contract and the amount charged is “fair and reasonable” compensation for the services rendered.	
Texas	First Lien Mortgage Loans	Subordinate Lien Mortgage Loans	Home Equity Lines of Credit	
	Under Texas law, prepayment penalty fees may be charged if two conditions are satisfied. First, the loans must not be subject to Texas’s homestead law. Second, the rate of interest on the loan may not exceed 12% per annum (this includes charges, such as origination fees and discount points, that are considered interest). A lender may not make a High Cost Home Loan containing a provision for a prepayment penalty.	Prepayment penalty fees are not permissible under Texas law. A lender may not make a High Cost Home Loan containing a provision for a prepayment penalty.	Depends on whether the mortgage securing the loan is a first or subordinate lien security interest. On home equity lines of credit that are subject to Texas’s homestead law, prepayment penalties are not permissible.	
Utah	First Lien Mortgage Loans	Subordinate Lien Mortgage Loans	Home Equity Lines of Credit	
	Permissible. A lender may collect a prepayment penalty fee agreed, in	Prepayment penalty fees are limited under Utah	Prepayment penalty fees are prohibited under	

	<p>writing, by the borrower.</p> <p>High Cost Mortgage Transactions are subject to different prepayment penalty restrictions.</p>	<p>law.</p> <p>Lenders may charge a prepayment penalty on closed-end subordinate lien mortgage loans that are not subject to Section 32 of federal Regulation Z, and only if:</p> <p>a. The lender offers the borrower the option of entering into either:</p> <p>(1) a contract that does not contain a prepayment penalty; or</p> <p>(2) a contract containing:</p> <p>(i) a prepayment fee; and</p> <p>(ii) a rate of finance charge or fee that is lower than the rate of finance charge or fee under the contract that does contain a prepayment penalty; and</p> <p>b. The borrower enters into the contract described in a(2) above.</p>	<p>Utah law.</p> <p>High Cost Mortgage Transactions are subject to different prepayment penalty restrictions.</p>	
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		High Cost Mortgage Transactions are subject to different prepayment penalty restrictions.		
Virginia	First Lien Mortgage Loans	Subordinate Lien Mortgage Loans	Home Equity Lines of Credit	
	Permissible. A prepayment penalty of up to 2% may be charged to amounts prepaid by the borrower.	Permissible. A prepayment penalty of up to 2% may be charged to amounts prepaid by the borrower.	Permissible. A prepayment penalty of up to 2% may be charged to amounts prepaid by the borrower.	
Vermont	First Lien Mortgage Loans	Subordinate Lien Mortgage Loans	Home Equity Lines of Credit	
	Prepayment penalty fees are not permissible under Vermont law, except for loans guaranteed or insured by the United States of America or any agency thereof.	Prepayment penalty fees are not permissible under Vermont law, except for loans guaranteed or insured by the United States of America or any agency thereof.	Prepayment penalty fees are not permissible under Vermont law, except for loans guaranteed or insured by the United States of America or any agency thereof.	
Washington (Mortgage Broker Practices Act)	First Lien Mortgage Loans	Subordinate Lien Mortgage Loans	Home Equity Lines of Credit	
	Prepayment penalty fees are permissible under Washington law.	Prepayment penalty fees are permissible under Washington law.	Prepayment penalty fees are permissible under Washington law.	
Washington (Consumer Loan Act)	First Lien Mortgage Loans	Subordinate Lien Mortgage Loans	Home Equity Lines of Credit	
	Prepayment penalty fees are not permissible under the Consumer Loan Act.	Prepayment penalty fees are not permissible under the Consumer Loan Act.	Prepayment penalty fees are not permissible under the Consumer Loan Act.	

Wisconsin	First Lien Mortgage Loans	Subordinate Lien Mortgage Loans for More than \$25,000	Subordinate Lien Mortgage Loans for \$25,000 or Less	Home Equity Lines of Credit
	<p>Prepayment penalties are permissible on fixed-rate loans, but may be charged only if the loan is prepaid within five (5) years of closing. Prepayment penalties are not permissible on variable rate loans that use an approved index. On loans that do not use an approved index, the loan may be prepaid in full without penalty within 30 days after notice of an increase in the interest rate. But, if the borrower prepays the loans before or after the 30-day period, the lender may charge a prepayment penalty, if the loan is prepaid within five (5) years after closing.</p> <p>The maximum prepayment penalty is an amount not exceeding 60 days' interest at the contract rate of interest on the amount by which the aggregate principal prepayments for a 12-month period exceeds 20% of the original principal amount of the loan.</p>	<p>Wisconsin law does not expressly authorize or prohibit prepayment penalty fees on subordinate lien mortgage loan transactions on subordinate lien mortgage loan transactions for more than \$25,000. However, upon prepayment in full of a loan that is scheduled to be repaid in 49 months or less, whether by cash, renewal, or refinancing, the lender must refund any unearned interest to the borrower.</p> <p>If the first payment period is greater than one month and the lender charges additional interest, the additional interest is considered "wholly" earned on the first installment date and is not included in the</p>	<p>Prepayment penalties are not permissible under Wisconsin law. The lender must allow the lender to prepay a subordinate lien mortgage loan, at any time, without penalty. In addition, upon prepayment in full, whether by cash, renewal, or refinancing, the lender must refund any unearned interest to the borrower. However, if the amount calculated is less than \$1, no refund is required.</p>	<p>Depends on whether the transaction is secured by a first or subordinate lien mortgage, and the amount of the credit line.</p>

		calculation of the refund. In addition, if the amount calculated is less than \$1, no refund is required.		
West Virginia	First Lien Mortgage Loans	Subordinate Lien Mortgage Loans	Home Equity Lines of Credit	
	Prepayment penalty fees are not permissible on loans that are subject to the Mortgage Loan Act. In addition, the borrower may prepay a loan at any time and receive a rebate for any unearned finance charge. This refund requirement does not apply to “points, investigation fees and loan origination fees.”	Prepayment penalty fees are not permissible on loans that are subject to the Mortgage Loan Act. In addition, the borrower may prepay a loan at any time and receive a rebate for any unearned finance charge. This refund requirement does not apply to “points, investigation fees and loan origination fees.”	Prepayment penalty fees are not permissible on loans that are subject to the Mortgage Loan Act. In addition, the borrower may prepay a loan at any time and receive a rebate for any unearned finance charge. This refund requirement does not apply to “points, investigation fees and loan origination fees.”	
Wyoming	First Lien Mortgage Loans	Subordinate Lien Mortgage Loans	Home Equity Lines of Credit	
	Wyoming law does not expressly authorize or prohibit prepayment penalty fees on first lien mortgage loans that are not “consumer loans”. Therefore, on such transactions, a lender may collect prepayment penalties as agreed by the borrower. Loans that are “consumer loans” are subject to the limitations on prepayment penalties for subordinate lien	Prepayment penalties are not permissible under the Consumer Credit Code. A debtor may prepay a “consumer loan” at any time without penalty. Upon prepayment in full of the unpaid balance of a precomputed “consumer loan”,	Depends on whether the transaction is secured by a first or subordinate lien mortgage (<i>i.e.</i> whether the transaction is subject to the Consumer Credit Code).	

	mortgage loans.	refinancing or consolidation, the unearned loan finance charge must be refunded to the borrower.		
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