

## Prepayment (PPP) Fee Structures

- **Percent.** A flat percentage of the unpaid principal balance (state variations exist).
- **Standard.** The amount of interest accrued during a 6-month period on the amount prepaid that exceeds 20% of the original principal balance (state variations exist).
- **Step.** A declining percentage of the unpaid balance that decreases each year as the prepayment year term increases.
- **State Specific.** For states identified in the *Prepayment Penalty Restriction Chart as State Specific*.

## Prepayment Terms

- 1 year (12 months)
- 2 year (24 months)
- 3 year (36 months)
- 4 year (48 months)
- 5 year (60 months)

## Percent Options

- 5% (all prepayment terms offered)
- 3% (all prepayment terms offered)

## Standard Options

- All prepayment terms offered

## Step Options

- 5%, 4%, 3%, 2%, 1% (5 year)
- 4%, 3%, 2%, 1% (4 year)
- 3%, 2%, 1% (3 year)
- 2%, 1% (2 year)
- 1% (1 year)

## State Specific Options

- All prepayment terms offered
- Prepayment terms vary by state, as identified in the *Prepayment Penalty Restriction Chart*

# Prepayment Penalty Restriction Chart

State	1 <sup>st</sup>	2 <sup>nd</sup>	Restrictions
AK	X	X	Not offered
DC	X	X	Not offered
IL	X	X	Not offered on APR greater than 8%
KS	X	X	Not offered
MD	X	X	Not offered
MI	X		State Specific; 1,2, or 3-year term
MN	X	X	State Specific; 1,2, or 3-year term; restriction applies to loans within conforming limits
MS	X	X	Not offered on Percent or Standard PPP structures; Step PPP only
NC	X	X	State Specific; 1,2, or 3-year term; restriction applies to loan amounts ≤ \$100,000
NJ	X	X	Not offered on Interest Rate greater than 6%
NM	X	X	Not offered
OH	X	X	State Specific for 1-2 unit; not offered for loan amounts < \$116,356 in 2026
PA	X	X	Not offered on 1–2-unit loan amounts < \$329,411 in 2026
RI	X	X	State Specific; 1-year term; restriction applies to 1-4 unit purchase transactions
TX		X	Not offered on 50(a)(6)
VA		X	State Specific
WA	X	X	Not offered on ARMs
WI	X	X	Not offered on ARMs

Notes: PPP are offered on Business Purpose loans only. All prepayment penalty options are available for states not listed.