



HOEPA/ QM Points and Fees Test

There are 6 groups of fees included in the points and fees calculation, unless explicitly excluded.

Group 1: Prepaid Finance Charge Fees

- Finance charge fees are included unless explicitly excluded.
 - Loan Origination Fees, Underwriting Fees, Processing Fees, Commitment Fees, Mortgage Broker Fees (Borrower-Paid)
 - Rate Lock Fees
 - Discount Points (if not bona fide)
 - Prepayment Penalty Payoff Fees and Maximum Prepayment Penalty Fees
 - Settlement agent/closing attorney/escrow agent fees and APR title fees unless excluded in Group 3
- Finance charges that are explicitly excluded are:
 - Finance charge fees that are reasonable, bona fide, and paid to a third-party provider not affiliated to the creditor, broker, or loan originator. (tax service, flood, attorney review)
 - Prepaid interest
 - Bona Fide Discount Points
 - Monthly Mortgage Insurance Premiums, Government Upfront Mortgage Insurance Premiums (FHA UFMIP; VA Funding Fee; USDA Guarantee Fee)
 - Any amount of Upfront Private Mortgage Insurance that is refundable on a prorated basis and the refund is automatically issued upon loan satisfaction that does not exceed the FHA UFMIP amount (1.75% - Most recently set in Mortgagee Letter 2012-24)
 - All Fees paid by Creditor, except Lender-Paid LO Compensation to Broker
 - Seller or Thirty-Party points attributable to Group 1 fees, except for broker compensation.

Group 2: Non-Borrower Paid Broker Compensation (lender, seller or 3rd party paid compensation)

Group 3: Real estate related fees (unless explicitly excluded)

- Real estate related fees included:
 - Title fees: title examinations, abstracts, survey, title insurance;
 - Document preparation fees; Attorneys' fees;
 - Notary and credit report fees;
 - Appraisal or inspection fees;
 - Amounts paid in escrow, except those held for future taxes
- Real estate related fees that are explicitly excluded are:
 - Real estate related fees paid by the creditor, OR
 - Real estate related fees that are bona fide, reasonable, AND not paid to an affiliate of the creditor

Group 4: Premiums for credit insurance; credit property insurance; other life, accident, health or loss-of-income insurance where the creditor is beneficiary; or debt cancellation or suspension coverage payments

Group 5: Maximum Prepayment Penalty

Group 6: Prepayment Penalty Paid to previous creditor in a Refinance if new creditor is refinancing a loan from an affiliated creditor