

## HIGH COST MORTGAGE TEST CHECKLIST

**A.** Is the loan secured by the customer's home but NOT a home equity line of credit, a reverse mortgage transaction subject to §226.33, or a Residential Mortgage Transaction (loan to purchase or construct a consumer's principal dwelling)?

Yes  Calculate steps B through E to determine whether the loan is high cost.  
No  Regardless of the cost of the loan, the loan is not subject to the rule.

**B. Calculate the total points and fees for a high cost mortgage. Add together:**

1) Fees usually exempt under §226.4(c)(7) for:

\$ \_\_\_\_\_ Title exam  
\$ \_\_\_\_\_ Abstract of title  
\$ \_\_\_\_\_ Title insurance  
\$ \_\_\_\_\_ Property survey  
\$ \_\_\_\_\_ Preparation of deed, mortgage, reconveyance & similar documents  
\$ \_\_\_\_\_ Notary public  
\$ \_\_\_\_\_ Appraisal  
\$ \_\_\_\_\_ Credit report  
\$ \_\_\_\_\_ Amounts paid into escrow or trustee accounts and not otherwise included in the finance charges (except for future payment of taxes)

2) \$ \_\_\_\_\_ TOTAL §226.4(c)(7) fees

3) Deduct from line (2):

( \_\_\_\_\_ ) fees from (b)(1), above, that are:  
▲ reasonable,  
▲ include no direct or indirect compensation to the bank, **AND**  
▲ not paid to an affiliate of the institution.

4) \$ \_\_\_\_\_ **Net §226.32(b)(1)(iii) fees** (Line B2 minus Line B3)

5) \$ \_\_\_\_\_ Total finance charges (§226.4(a)& 4(b)) *except interest*

6) \$ \_\_\_\_\_ Mortgage Broker Fees

7) \$ \_\_\_\_\_ **Add Lines 4, 5, & 6 for Total Points and Fees**

**C.** Are any of the net fees (Line B4) financed by the creditor?

1) Yes  Enter the total amount \$ \_\_\_\_\_

2) No

**D. Calculate the Total Loan Amount:**

1) Amount Financed (§226.18(b)):  
\$ \_\_\_\_\_

2) Costs included as fees and financed (Line C1, above): \$ \_\_\_\_\_

3) Subtract line D(2) from D(1) for **Total Loan Amount:** \$ \_\_\_\_\_

**E. Calculate the High Cost Mortgage Total Points and Fees Test**

1) a) Calculate 8% of the Total Loan Amount (Line D3, above) \$ \_\_\_\_\_

b) Enter the greater of 8% of Total Loan Amount or \$412:  
\$ \_\_\_\_\_

2) Do the total points and fees (Line B7) exceed the greater of either 8% of the total loan amount or \$412?

**F. Calculate High Cost Mortgage APR Test**