**Higher Priced Mortgage Loan**

**Checklist and Worksheet**

Application Date       Officer

Borrower Name       Note #

**Interest Rate/APR Information**

Lock-in/Approval Date

“Average Prime Offer Rates” Tables

|  |  |
| --- | --- |
| “Average Prime Offer Rates- Fixed” | <http://www.ffiec.gov/ratespread/YieldTableFixed.CSV> |
| “Average Prime Offer Rates- Adjustable” | <http://www.ffiec.gov/ratespread/YieldTableAdjustable.CSV> |

Loan APR

Average Prime Offer Rate (APOR)       *(on lock-in/approval date)*

Lien/Loan position

APOR      % +  =      %

*Note: From HMDA GIR - If the difference between the APR and the APOR is a figure with more than two decimal places, round the figure or truncate the digits beyond two decimal places.*

Is the loan APR greater than or equal to the above sum?

If No, stop. This is not an HPML loan. If APR changes prior to closing, recalculate.

If Yes, this is an HPML, continue:

**Prepayment Penalties**

Does this loan contain a prepayment penalty?

If No, move on to the next section.

If Yes, the following statements, must be True:

* The penalty only applies during the first two years of the loan.
* We are not the original creditor, nor an affiliate of the original creditor.
* The amount of the periodic payment of principal, interest or both, does not change for the first four years.

**Verification of Repayment Ability, Income & Assets**

**Income** – File documentation includes at least one of the following:

Tax Return(s)

W-2

Payroll stubs

Bank records

**Assets** – If assets, other than the collateral, are considered for repayment, file documentation includes:

Third party verification of value, (appraisal, bank statement, etc.)

**Obligations** – File documentation includes the following as applicable:

Application showing all current debts

Credit report

Other documentation, including applicant’s statements and officer’s knowledge of debts, in addition to that found in the credit report

**DTI** – Calculation includes:

Highest scheduled payment of P & I during the first 7 years of the loan $       (from fed box on TIL

All mortgage related obligations as applicable

* Property taxes – annual amount due / 12 = $
* Hazard insurance – annual premium / 12 = $
* Flood insurance – annual premium / 12 = $
* Private Mortgage insurance – monthly payment $
* Homeowner association dues – monthly payment $
* Condo or coop fees – monthly payment $
* Piggy back loan payment – monthly payment $

All debts as described under Obligations above

Total current obligations $      **/** Total verified income $      = **DTI**      %

**Balloon Payment**

This loan does not have a balloon payment during the first seven years

If false, DTI was calculated using the amount of the largest, scheduled payment of principal and interest, (the balloon payment.)

**Escrow**

This is a first lien mortgage, an escrow account for taxes and insurance will be established

Reserves for taxes and insurance will be collected prior to or at closing