

Higher Priced Mortgage Loan Checklist and Worksheet

Application Date _____
Borrower Name _____

Officer _____
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 1st lien add 1.5% to APOR

APOR _____% + 1.5% = _____%

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? Yes

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? Yes

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. True
- We are not the original creditor, nor an affiliate of the original creditor. True
- The amount of the periodic payment of principal, interest or both, does not change for the first four years. True

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 True

- 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