

Points and Fees Calculation (For QMs and HCMLs)

Fees to Include

- **FINANCE CHARGES** - Include fees that make up the finance charge except:
 - Interest
 - Mortgage Insurance Premiums
 - Private Mortgage Insurance
 - Bona fide third-party charges not retained by the creditor or loan originator Bone fide discount points
- **LOAN ORIGINATOR COMPENSATION** – Include all compensation paid directly or indirectly by a consumer or creditor to a loan originator EXCEPT for amounts paid by creditors or brokers to their own employees.
 - Include amounts paid directly by a consumer to a broker
 - Include amounts paid by the seller if they are paid to a loan originator or broker
 - Include amounts paid by a creditor to a broker
- **OTHER REAL ESTATE RELATED FEES** – (Fees for title work, document prep, appraisal, inspection, flood determination, etc.) may be excluded if:
 - The charge is reasonable
 - The creditor receives no direct or indirect compensation in relation to the charge
 - The charge is not paid to an affiliate of the creditor
- **PREMIUMS FOR CREDIT INSURANCE, DEBT CANCELLATION, ETC. WHERE THE CREDITOR IS THE BENEFICIARY:**
 - Include amounts payable at or before consummation (even if rolled in to the loan)
 - Exclude monthly premiums paid after consummation
- **MAXIMUM PREPAYMENT PENALTY**
- **CHARGES PAID BY THIRD PARTIES:**
 - Include charges paid by third parties that fall in to one of the categories above
 - Exclude seller paid points (hint— probably the only seller paid items you will include are amounts paid to loan originators and brokers)
- **CREDITOR PAID CHARGES** – exclude everything except amounts paid to brokers

QM Points and Fees

For a loan to be a QM, the points and fees may not exceed:

2022	
Loan Amount	Points and Fees Cap
\$114,847 and greater	3% of the total loan amount
\$68,908 to 114,846.99	\$3,445
\$22,969 to \$68,907.99	5% of the total loan amount
\$14,356 to \$22,968.99	\$1,148
Less than \$14,356	8% of the total loan amount

2023	
Loan Amount	Points and Fees Cap
\$124,331 and greater	3% of the total loan amount
\$74,599 to \$124,330.99	\$3,730
\$24,866 to \$74,598.99	5% of the total loan amount
\$15,541 to \$24,865.99	\$1,243
Less than \$15,541	8% of the total loan amount

High Cost Mortgage Points and Fees

For a loan NOT to be considered a HCM, points and fees may not exceed:

2021	
Loan Amount	Points and Fees Cap
\$22,969 or greater	5% of the total loan amount
Less than \$22,969	8% of the total loan amount or \$1,148 (whichever is less)

2022	
Loan Amount	Points and Fees Cap
\$24,866	5% of the total loan amount
Less than \$24,866	8% of the total loan amount or \$1,243 (whichever is less)