# 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 PREAYMENT 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** | |  | **2023** | |
| **Loan Amount** | **Points and Fees Cap** |  | **Loan Amount** | **Points and Fees Cap** |
| $114,847 and greater | 3% of the total loan amount |  | $124,331 and greater | 3% of the total loan amount |
| $68,908 to 114,846.99 | $3,445 |  | $74,599 to $124,330.99 | $3,730 |
| $22,969 to $68,907.99 | 5% of the total loan amount |  | $24,866 to $74,598.99 | 5% of the total loan amount |
| $14,356 to $22,968.99 | $1,148 |  | $15,541 to $24,865.99 | $1,243 |
| Less than $14,356 | 8% of the total loan amount |  | 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** | |  | **2022** | |
| **Loan Amount** | **Points and Fees Cap** |  | **Loan Amount** | **Points and Fees Cap** |
| $22,969 or greater | 5% of the total loan amount |  | $24,866 | 5% of the total loan amount |
| Less than $22,969 | 8% of the total loan amount or $1,148 (whichever is less) |  | Less than $24,866 | 8% of the total loan amount or $1,243 (whichever is less) |