# 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:

|  |  |  |
| --- | --- | --- |
| **2023** |  | **2024** |
| **Loan Amount** | **Points and Fees Cap** |  | **Loan Amount** | **Points and Fees Cap** |
| $124,331 and greater | 3% of the total loan amount |  | $130,461 and greater | 3% of the total loan amount |
| $74,599 to $124,330.99 | $3,730 |  | $78,277 to $130,460.99 | $3,914 |
| $24,866 to $74,598.99 | 5% of the total loan amount |  | $26,092 to $78,276.99 | 5% of the total loan amount |
| $15,541 to $24,865.99 | $1,243 |  | $16,308 to $26,091.99 | $1,305 |
| Less than $15,541 | 8% of the total loan amount |  | Less than $16,308 | 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:

|  |  |  |
| --- | --- | --- |
| **2023** |  | **2024** |
| **Loan Amount** | **Points and Fees Cap** |  | **Loan Amount** | **Points and Fees Cap** |
| $24,866 or greater | 5% of the total loan amount |  | $26,092 | 5% of the total loan amount |
| Less than $24,866 | 8% of the total loan amount or $1,243 (whichever is less) |  | Less than $26,092 | 8% of the total loan amount or $1,305 (whichever is less) |