



PREPAYMENT PENALTIES

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Last Updated: June, 2014*

** Updates made to Ohio references (January, 2017)*

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State	Loan Type	Loan Amount	Lien Type	Time Payment May Be Made Without Penalty	Terms of the Penalty Charge	Legal Reference
AL	Consumer Credit Transaction ¹	≥\$2,000	Both	Any	Prohibited	ALA. CODE § 5-19-4(c) (West 2012); ALA. ADMIN. CODE r. § 155-2-2-.11(4) ²
AL	Exempted Consumer Credit Transaction ³	≥\$2,000	Both	Any	Any	ALA. ADMIN. CODE r. § 155-2-2-.11(4) ; ALA. CODE § 5-19-4(c) (West 2012) ⁴
AL	Credit Transaction ⁵	<\$2,000	Both	Any	Prohibited ⁶	ALA. CODE § 5-19-3(d)(3) (West 2012)
AK	Loan Contracts and Commitments	Any	Any	Any	Prohibited	ALASKA STAT. § 45.45.010(g) (West 2012)
AK	Small Loans ⁷	≤\$25,000	Any	Any	Prohibited	ALASKA STAT. §§ 06.20.270(3) , & 45.45.010(g) (West 2012)
AZ	Consumer Loan ⁸	≤\$10,000	Any	Any	Prohibited ⁹	ARIZ. REV. STAT. § 6-637(F) (West 2012)
AZ	Home Equity Revolving Loan ¹⁰	≤\$10,000	Any	Any	Prohibited	ARIZ. REV. STAT. § 6-637(D) (West 2012)
AR	Mortgage Loan ¹¹	Any	Any	3 years+	≤3% (1 st 12-month period) ≤2% (2 nd 12-month period) ≤1% (3 rd 12-month period)	ARK. CODE ANN. § 23-39-513(8) (West 2012)
CA	Consumer Loan (FLL) ¹²	Any	Any	3 years +	Any amount in excess of 20% of the original principal amount, up to 6 months' advanced interest, on any prepay amount within a 12-month period	CAL. FIN. CODE § 4973(a)(2) (West 2012)

State	Loan Type	Loan Amount	Lien Type	Time Payment May Be Made Without Penalty	Terms of the Penalty Charge	Legal Reference
CA	Loans for Residential Property of Four Units or Less	Any	Any	5 years+	Any amount in excess of 20% of the original principal amount, up to 6 months' advanced interest, on any prepay amount within a 12-month period ¹³	CAL. CIVIL CODE §§ 2954.9 , & 2954.10 (West 2012)
CA	Real Property Loans (REL) ¹⁴	Any	Any	7 years+	Any amount in excess of 20% of the original principal amount, up to 6 months' advanced interest, on any prepay amount within a 12-month period ¹⁵	CAL. BUS. & PROF. CODE § 10242.6 (West 2012)
CA	Residential Mortgage Loan (CRMLA) ¹⁶	Any	Any	7 years+	Any amount in excess of 20% of the original principal amount, up to 6 months' advanced interest, on any prepay amount within a 12-month period ¹⁷	CAL. FIN. CODE § 50703 (West 2012); CAL. BUS. & PROF. CODE § 10242.6 (West 2012)
CA	Adjustable-Rate Loan ¹⁸	Any	Any	Any	Prohibited	CAL. CIVIL CODE § 1916.7(b)(8) (West 2012)
CA	Renegotiable Rate Mortgage Loan ¹⁹	Any	Any	After the beginning of the minimum notice period for the first renewal, or any earlier time specified in the loan contract, or within 90 days after notice of increase in interest rate	Any	CAL. CIVIL CODE §§ 1916.5(a)(5) , & 1916.8(a) (West 2012)
CA	Mortgage Loan	Any	Primary	Any	Prohibited	CAL. CIVIL CODE § 1920(c) (West 2012)

State	Loan Type	Loan Amount	Lien Type	Time Payment May Be Made Without Penalty	Terms of the Penalty Charge	Legal Reference
CA	Higher Priced Mortgage Loan ²⁰	Any	Primary	2 years +	2% of balance prepaid in the first twelve months 1% of balance prepaid in the second twelve months	CAL. FIN. CODE § 4995.1 (West 2012)
CO	Consumer Credit Transaction ²¹	Any	Any	Any	Prohibited, if the prepay amount is less than \$5.00.	COLO. REV. STAT. ANN. § 5-2-210 (West 2012)
CO	Adjustable-Rate Mortgage ²²	Any	Any	Variable ²³	Discouragement of penalties that extend past the adjustment date of any teaser rate, interest rate, payment rate, or anything similar used to calculate the borrower's monthly mortgage payment. ²⁴	4 COLO. CODE REGS. § 725-3:3-1-4-5.3-1-4 ; COLO. REV. STAT. ANN. § 12-61-904.5 (West 2012)
CO	High Cost/Covered Loan ²⁵	Any	Any	Any	6 months' interest	COLO. REV. STAT. ANN. § 5-3.5-102(g)(I) (West 2012)
CT	Residential Mortgage Loan ²⁶	Any	Any	Any	Prohibited	CONN. GEN. STAT. ANN. § 36a-498(f)(2) (West 2012)
CT	Mortgage Loan	≤ \$15,000	Secondary	3 years +	Shall not exceed 5% of principal balance prepaid	CONN. AGENCIES REGS. § 36a-570-17(e) (2012)
CT	Alternative Mortgage Loan ²⁷	Any	Any	Any	Prohibited	CONN. GEN. STAT. ANN. § 36a-265(c) (West 2012)
CT	High-Cost Home Loan ²⁸	Any	Any	Any	Prohibited	CONN. GEN. STAT. ANN. § 36a-746c(5) (West 2012)

State	Loan Type	Loan Amount	Lien Type	Time Payment May Be Made Without Penalty	Terms of the Penalty Charge	Legal Reference
CT	Nonprime Home Loan ²⁹	Any	Any	Any	Prohibited	CONN. GEN. STAT. ANN. § 36a-760E(a)(1) (West 2012)
DE	Loan ³⁰	Any	Any	Any	Prohibited	DEL. CODE ANN. tit. 5, § 2234(e) (West 2012)
DE	Residential Mortgage Loan	Any	Any	Contracted For	As Contracted For	DEL. CODE ANN. Tit.5, § 2234(e) (West 2012)
DE	Revolving Credit Plan ³¹	Any	Any	Any	As contracted for	DEL. CODE ANN. tit. 5, § 2218(b) (West 2012)
DE	Revolving credit plan, or Closed End Loan, secured by real estate	Any	Any	Any	As Contracted For	5-2203-3.0 DEL. ADMIN. CODE § 3.3.14 (2012); DEL. CODE ANN. tit. 5, §§ 2218(b) , & 2234(e) (West 2012)
DC	Loan Secured by Residential Real Property	Any	Any	3 years+	PPP=2mL > 1/3aL ₁₂ ³²	D.C. CODE § 28-3301(f)(1) (2012)
FL	Mortgage ³³	Any	Any	Contracted For	Contracted For	FLA. STAT. ANN. § 697.06 (West 2012)
FL	Consumer Finance Loan ³⁴	≤ \$25,000 w/ interest > 18%	Any	Any	Contracted for	FLA. STAT. ANN. § 516.15 (West 2012)
GA	Loan Contract ³⁵	Any	Any	Contracted For	Contracted For	GA. CODE ANN. § 7-4-2(b)(2) (West 2012)

State	Loan Type	Loan Amount	Lien Type	Time Payment May Be Made Without Penalty	Terms of the Penalty Charge	Legal Reference
GA	High-cost Home Loans ³⁶	<=FNMA Conforming Size Limit	Any	2 years+	1 st 12 months ≤ 2% of loan amount prepaid 2 nd 12 months ≤ 1% of amount prepaid	GA. CODE ANN. § 7-6A-5(1) (West 2012)
HI	Consumer Loan with maturity 5 years or longer ³⁷	Any	Any	Contracted For	PPP = ap > (20%opaL ₁₂ < I ₆) ³⁸	HAW. REV. STAT. § 412:9-304(2)(A) (West 2012)
HI	Five-Year Period Consumer Loan ³⁹	Any	Any	Contracted For	Contracted For ⁴⁰	HAW. REV. STAT. § 412:9-304(2) (West 2012)
HI	Variable Rate, Open-end, or Precomputed Consumer Loan ⁴¹	Any	Any	Any	Prohibited ⁴²	HAW. REV. STAT. § 412:9-304(2)(B) (West 2012)
ID	Residential Mortgage Loan ⁴³	Any	Any	Contracted For	Contracted For	IDAHO ADMIN. CODE § 12.01.10.050.06 (2012)
ID	Regulated Consumer Credit Transaction ⁴⁴ (Closed-End)	Any	Any	3 years+	PPP = i ₆ x ₆ ⁴⁵	IDAHO CODE ANN. § 28-42-306(2)(a) (West 2012)
ID	Regulated Consumer Credit Transaction ⁴⁶ (Open-End)	Any	Any	3 years+	≤ 6 months finance charge at APR in effect at time of prepayment on last 6 billing periods prior to prepayment Prohibited if refinanced or consolidated with same lender	IDAHO CODE ANN. § 28-42-306(2)(b) (West 2012)
IL	Installment Purchase or Mortgaged Loan ⁴⁷	Interest Rate: >8% per annum	Any	Any	Prohibited	815 ILL. COMP. STAT. ANN. § 205/4(2)(a) (West 2012)
IL	Nonexempt, Variable-Rate Residential Mortgage Loan ⁴⁸	Any	Any	Earlier of: 3 years+ First change date or rate adjustment	1 st 12-month period ≤ 3% total loan amount 2 nd 12-month period ≤ 2% of total loan amount 3 rd 12-month period ≤ 1% of total loan amount ⁴⁹	205 ILL. COMP. STAT. ANN. § 635/5-8 , & 815 ILL. COMP. STAT. ANN. § 205/4.1a (West 2012)

State	Loan Type	Loan Amount	Lien Type	Time Payment May Be Made Without Penalty	Terms of the Penalty Charge	Legal Reference
IL	High Risk Home Loan ⁵⁰	Any	Any	Any	Prohibited	815 ILL. COMP. STAT. ANN. § 137/30 (West 2012)
IN	First Lien Variable-Rate Mortgage Transaction ⁵¹	Any	Primary	Any	Prohibited	IND. CODE ANN. § 24-4.4-2-201(2) (West 2012)
IN	Consumer Loan ⁵²	Any	Secondary ⁵³	3 years+	≤ 2% of amount prepaid after deducting all refunds and rebates as of date of prepayment (must be charged within 60 days) ⁵⁴	IND. CODE ANN. § 24-4.5-3-209 (West 2012)
IN	Variable-Rate Home Loan ⁵⁵	Any	Any	Any	Prohibited	IND. CODE ANN. § 24-9-3-6(b) (West 2012)
IN	Fixed-Rate High Cost Home Loan ⁵⁶	Any	Any	2 years+	≤ 2% of loan amount prepaid	IND. CODE ANN. § 24-9-4-1(2) (West 2012)
IA	Loan ⁵⁷	Any	Any	Any	Prohibited	IOWA CODE ANN. § 535.9 (West 2012)
IA	Consumer Credit Transaction ⁵⁸	≤\$25,000	Subordinate	None ⁵⁹	\$7.50 ⁶⁰	IOWA CODE ANN. §§ 537.2510 , & 537.3203 (West 2012)
KS	Home Loan	Any	Any ⁶¹	6 months+	Any	KAN. STAT. ANN. § 16-207(c) (West 2012)
KS	Consumer Credit Transaction ⁶²	Any	Secondary ⁶³	Any	Prohibited	KAN. STAT. ANN. § 16a-2-509 (West 2012)

State	Loan Type	Loan Amount	Lien Type	Time Payment May Be Made Without Penalty	Terms of the Penalty Charge	Legal Reference
KY	Mortgage Loan ⁶⁴	Any	Any	Earlier of: 3 years+ 60 days prior to first interest rate reset+	≤3% _{ob} (1 st 12-month period) ≤2% _{ob} (2 nd 12-month period) ≤1% _{ob} (3 rd 12-month period) Prohibited if refinancing with company that funded the mortgage	KY. REV. STAT. ANN. § 286.8-110(4) (West 2012)
KY	High-cost Home Loan ⁶⁵	\$15,000 - \$200,000	Any	Lesser of: 3 years+ 60 days prior to first interest rate reset+	≤3% _{ob} (1 st 12-month period) ≤2% _{ob} (2 nd 12-month period) ≤1% _{ob} (3 rd 12-month period) Prohibited if refinancing with company that funded mortgage	KY. REV. STAT. ANN. § 360.100(2)(a) (West 2012)
KY	Industrial Loan Company Loan	≤ \$7,500 ≤\$10,000	Any	Any	Prohibited	KY. REV. STAT. ANN. §§ 286.7-500(2) , & 286.7-460(1) , & (4) (West 2012)
LA	Residential Mortgage Loan ⁶⁶	Any	Any	5 years+	≤5% _{upb} (1 st 12-month period) ≤4% _{upb} (2 nd 12-month period) ≤3% _{upb} (3 rd 12-month period) ≤2% _{upb} (4 th 12-month period) ≤1% _{upb} (5 th 12-month period)	LA. REV. STAT. ANN. §§ 6:1096(E) , & 9:3509.3 (West 2012)
LA	Consumer Credit Transaction ⁶⁷	≥\$25,000; maturity ≥ 7 years; bears simple interest	Any	5 years+	≤5% _{upb} (1 st 12-month period) ≤4% _{upb} (2 nd 12-month period) ≤3% _{upb} (3 rd 12-month period) ≤2% _{upb} (4 th 12-month period) ≤1% _{upb} (5 th 12-month period)	LA. REV. STAT. ANN. §§ 9:3531 , & 9:3532.1 (West 2012)
LA	Reverse Mortgage Loan ⁶⁸	Any	Any	Any	Prohibited	LA. REV. STAT. ANN. § 6:1101(A)(1) (West 2012)

State	Loan Type	Loan Amount	Lien Type	Time Payment May Be Made Without Penalty	Terms of the Penalty Charge	Legal Reference
ME	Alternative Mortgage Transaction ⁶⁹	Any	Any	Any	Prohibited	ME. REV. STAT. tit. 9-A, § 9-308 (2011); 02-030-250 ME. CODE R. § 4(A)(8) (2011)
ME	Consumer Credit Transaction ⁷⁰	Any	Any	3 years+	Minimum charges allowed by law and reasonably calculated to offset origination costs ⁷¹ if loan is paid off in full in first 36 months	ME. REV. STAT. tit. 9-A, § 2-509 (2011); Code Me. R. 02-029 ch. 142, §§ IV-V (2011)
ME	Consumer loans or open-end credit plans with maturity < 36 months	Any	Any	Any	Prohibited	Code Me. R. 02-029 ch. 142, §§ V(A) (2011)
ME	Consumer loan or open-end credit plan	Any	Any	Any	Prohibited when: Prepays due to change of terms notification; or Prepays due to loan acceleration due to default; or Consumer rescinds transaction.	Code Me. R. 02-029 ch. 142, §§ V(B)-(D) (2011)
ME	High-Rate, High-Fee Mortgage ⁷²	Any	Any	Any	Prohibited	Code Me. R. 02-029 ch. 142, §§ V(E) (2011)
MD	Loan Made by a Consumer Borrower ⁷³	Any	Any	Any	Prohibited	MD. CODE ANN., COM. LAW § 12-1009(e) (West 2012)

State	Loan Type	Loan Amount	Lien Type	Time Payment May Be Made Without Penalty	Terms of the Penalty Charge	Legal Reference
MD	Open End Credit Plan ⁷⁴	Any	Any	Any	Prohibited	MD. CODE ANN., COM. LAW § 12-905(b) (West 2012); Mortgages – Prepayment Fees – Preemptive Effect of Federal Law on State Restrictions, 82 Op. Att’y Gen. MD 77 , p. 82-3 (1997)
MD	Secondary Mortgage Loan ⁷⁵	Any	Any	Any	Prohibited	MD. CODE ANN., COM. LAW § 12-407(d) (West 2012)
MD	Mortgage Loan ⁷⁶	Any	Any	Any	Prohibited	MD. CODE ANN., COM. LAW § 12-105(d) (West 2012)
MD	“Other” Loan ⁷⁷	Any	Any	3 years+	PPP = aDi ₂ :aGGa:PP ₁₂ > 1/3oL ⁷⁸	MD. CODE ANN., COM. LAW § 12-105(c)(4) (West 2012)
MD	Commercial Loan ⁷⁹	≤\$15,000	Any	3 years+	PPP = aDi ₂ :aGGa:PP ₁₂ > 1/3oL ⁸⁰	MD. CODE ANN., COM. LAW § 12-105(c)(4) (West 2012)
MA	Mortgage Note, excluding HELOCs ⁸¹	Any	Any	3 years+	Lesser of: Balance of First Year’s Interest, or 3 months’ interest ⁸²	MASS. GEN. LAWS ANN. ch. 183, § 56 (West 2012)
MA	Mortgage ⁸³	Any	Primary	Any	Prohibited when property seized via eminent domain.	MASS. GEN. LAWS ANN. ch. 183, § 57 (West 2012)

State	Loan Type	Loan Amount	Lien Type	Time Payment May Be Made Without Penalty	Terms of the Penalty Charge	Legal Reference
MA	Mortgage on Real Estate ⁸⁴	>\$1,500	Secondary	Any	Prohibited	MASS. GEN. LAWS ANN. ch. 140, § 90A (West 2012)
MA	High Cost Home Loan ⁸⁵	Any	Any	Any	Prohibited ⁸⁶	209 MASS. CODE REGS. 40.05(6) (2012)
MI	First Lien Note Secured by Real Property ⁸⁷	Any	Primary	3 years+	≤ 1% of the amount of the prepayment made	MICH. COMP. LAWS ANN. § 438.31c(1c)(2)(c) (West 2012)
MI	Secondary Mortgage Loan ⁸⁸	Any	Secondary	3 years+	≤ 1% of the amount of the prepayment made	MICH. COMP. LAWS ANN. §§ 493.71(2) , & 438.31c(1c)(2)(c) (West 2012)
MN	Prime Residential Mortgage Loan ⁸⁹	Any	Any	3.5 years+, or Upon sale of property ⁹⁰	Lesser of: 2% of unpaid principal balance at time of prepayment, or 60 days' interest, on unpaid principal balance, at rate in effect on mortgage at time of prepayment A different charge may be imposed if disclosed and contracted for. ⁹¹	MINN. STAT. ANN. § 58.137(2)(a)-(b) (West 2012)
MN	Subprime Loan ⁹²	≤FNMA Conforming Loan Size Limit	Any	Any	Prohibited	MINN. STAT. ANN. § 58.137(2)(c) (West 2012)
MN	Open-end Loan ⁹³	Any	Any	Any	Prohibited	MINN. STAT. ANN. § 56.125(1) (West 2012)

State	Loan Type	Loan Amount	Lien Type	Time Payment May Be Made Without Penalty	Terms of the Penalty Charge	Legal Reference
MN	Close-ended Loan	Any	Second	Any	Prohibited	MINN. STAT. ANN. § 56.131(2) (West 2012) (is silent on permissible prepayment fees) (West 2012)
MS	Note Secured by Real Estate ⁹⁴	Any	Any	5 years+	≤5% of the unpaid principal balance (1 st year) ≤4% of the unpaid principal balance (2 nd year) ≤3% of the unpaid principal balance (3 rd year) ≤2% of the unpaid principal balance (4 th year) ≤1% of the unpaid principal balance (5 th year)	MISS. CODE ANN. § 75-17-31 (West 2012)
MO	Secured by Residential Real Estate ⁹⁵	Any	Any	5 years+	≤ 2% of balance at time of prepayment	MO. REV. STAT. § 408.036 (West 2012) ⁹⁶
MO	Loan Secured by Residential Real Estate being replaced with loan from another lender ⁹⁷	Any	Any	5 years+	≤ 2% of average daily balance for prior 6 months ⁹⁸	MO. REV. STAT. § 408.036 (West 2012)
MO	Second Mortgage Loan ⁹⁹	Any	Secondary	5 years+	≤ 2% of balance at time of prepayment	MO. REV. STAT. §§ 408.241 , & 408.036 (West 2012)
MO	Second Mortgage Loan being replaced with loan from another lender ¹⁰⁰	Any	Secondary	5 years+	≤ 2% of average daily balance for prior 6 months ¹⁰¹	MO. REV. STAT. §§ 408.241 , & 408.036 (West 2012)
MT	Mortgage Loan ¹⁰²	Any	Any	Contracted For	Contracted For ¹⁰³	MONT. CODE ANN. § 32-9-148(2) (West 2011)

State	Loan Type	Loan Amount	Lien Type	Time Payment May Be Made Without Penalty	Terms of the Penalty Charge	Legal Reference
NE	Loan	Any	Any	None	Reasonable and necessary	NEB. REV. STAT. § 45-101.02 (West 2012)
NE	A Residential Mortgage Loan made by a licensee under the Nebraska Residential Mortgage Licensing Act ¹⁰⁴	Any	Any	None	Reasonable and necessary	NEB. REV. STAT. § 45-740(1)(m) (West 2012)
NE	Reverse Mortgage Loan ¹⁰⁵	Any	Any	Any	Prohibited	NEB. REV. STAT. § 45-1068(2) (West 2012)
NE	Loan secured by real property and not made pursuant to NEB. REV. STAT. § 45-101.04(11) ¹⁰⁶	Any > \$7,500	Any	2 years+	≤ 6 months interest on 80% of original principal balance at agreed rate of interest on the loan ¹⁰⁷	NEB. REV. STAT. § 45-1024(6)(c) (West 2012)
NE	Preauthorized Loan ¹⁰⁸	Any	Any	Any	None	NEB. REV. STAT. § 45-1063 (West 2012)
NV	Any Loan	Any	Any	Contracted For	Contracted For	NEV. REV. STAT. ANN. § 99.055 (West 2011)
NV	Home Loan ¹⁰⁹	Any	Any	Any	Any ¹¹⁰	NEV. REV. STAT. ANN. § 598D.100 (West 2011)
NH	First Mortgage Loan ¹¹¹	Any	Primary	Contracted For	Contracted For ¹¹²	N.H. REV. STAT. ANN. § 397-A:15(I)-(II) (2012) ¹¹³

State	Loan Type	Loan Amount	Lien Type	Time Payment May Be Made Without Penalty	Terms of the Penalty Charge	Legal Reference
NH	Second Mortgage Debt ¹¹⁴	Any	Secondary	5 years+	Contracted For ¹¹⁵	N.H. REV. STAT. ANN. § 397-A:16-a(III) (2012)
NJ	Mortgage Loan ¹¹⁶	Any	Any	Any	Prohibited	N.J. STAT. ANN. § 46:10B-2 (2012); N.J. ADMIN. CODE § 3:15-10.1(b) (2012)
NM	A home loan under the New Mexico Residential Home Loan Act ¹¹⁷	Any	Any	Any	Prohibited	N.M. STAT. ANN. § 56-8-30 (2012)
NM	A home loan under the New Mexico Home Loan Protection Act ¹¹⁸	≤ FNMA Conforming Loan Limit	Any	Any	Prohibited	N.M. STAT. ANN. § 58-21A-4(M) (2012)
NY	Loan Secured by 1-to-6 Family Dwelling, owner occupied with interest rate > 6% ¹¹⁹	Any	Any	1 year+	Contracted For	N.Y. GEN. OBLIG. LAW § 5-501(3)(b) (McKinney 2012)
NY	Adjustable Rate Loan ¹²⁰	≤\$250,000	Primary	1 years+	Contracted For ¹²¹	N.Y. COMP. CODES R. & REGS. Tit. 3, § 82.7 (2012); N.Y. GEN. OBLIG. LAW § 5-501(3)(b) (McKinney 2012)
NY	Junior Mortgage Loan ¹²²	Any	Secondary	Any	Prohibited	N.Y. BANKING LAW § 590-a(2) (McKinney 2012)

State	Loan Type	Loan Amount	Lien Type	Time Payment May Be Made Without Penalty	Terms of the Penalty Charge	Legal Reference
NY	Junior Mortgage Loan with interest > 6% per annum (Alternative) ¹²³	<\$250,000 ¹²⁴	Secondary	1 years+	Contracted For <i>but only if</i> the note provides, for at least 5 years, for a fixed interest rate	N.Y. COMP. CODES R. & REGS. Tit. 3, § 80.9(e) (2012)
NY	Revolving Credit Line Secured by a Junior Mortgage ¹²⁵	\$2,500 -\$249,999 ¹²⁶	Secondary	Any	Prohibited	N.Y. COMP. CODES R. & REGS. Tit. 3, § 80.10(e) (2012)
NY	High-cost Home Loan ¹²⁷	Any	Any	Any	Prohibited	N.Y. BANKING LAW § 6-l(r) (McKinney 2012)
NY	Subprime Home Loan ¹²⁸	Any	Any	Any	Prohibited	N.Y. BANKING LAW § 6-m(m) (McKinney 2012)
NC	Home Loan ¹²⁹	≤\$150,000	Primary	Any	Prohibited	N.C. GEN. STAT. ANN. § 24-1.1A(b)(1) (West 2012)
NC	Rate Spread Home Loan ¹³⁰	≤ FNMA Conforming Size Limit	Any	Any	Subject to the limits imposed by 15 U.S.C. § 1639c and regulations thereunder	N.C. GEN. STAT. ANN. §§ 24-1.1F(c1) , & 53-244.111(10) (West 2012)
NC	Loan made pursuant to N.C. GEN. STAT. ANN. § 24-1.1 ¹³¹	≤\$100,000	Any	3 years+	≤ 2% of outstanding balance	N.C. GEN. STAT. ANN. § 24-10(b) (West 2012)
NC	Equity Line of Credit ¹³²	Any	Any	Any	Prohibited	N.C. GEN. STAT. ANN. §§ 45-82.4 , & 24-9(c) (West 2012)

State	Loan Type	Loan Amount	Lien Type	Time Payment May Be Made Without Penalty	Terms of the Penalty Charge	Legal Reference
NC	Variable Rate Equity Line of Credit with a fixed interest rate for a specified period of time & is offered by a bank ¹³³	Any	Any	30 months+	≤ 2% of amount prepaid	N.C. GEN. STAT. ANN. § 24-9(c) (West 2012)
NC	Loan silent on prepayment or terms in violation of law	Any	Any	Any	Prohibited	N.C. GEN. STAT. ANN. § 24-2.4 (West 2012)
NC	Mortgage Loan or Rate Spread Home Loan ¹³⁴	≤\$150,000	Any	Any	Prohibited	N.C. GEN. STAT. ANN. § 53-244.111(10) (West 2012)
NC	Loan Secured by Secondary or Junior Mortgage ¹³⁵	≤\$25,000 ¹³⁶	Secondary	Any	Prohibited	N.C. GEN. STAT. ANN. § 24-14(e) (West 2012)
NC	High Cost Home Loan ¹³⁷	The lesser of: FNMA Conforming Size, or \$300,000	Any	≤30 months	>2% of prepaid amount	N.C. GEN. STAT. ANN. § 24-1.1E(a)(6)(c) (West 2011)
ND	Lien or mortgage ¹³⁸	Any	Any	Contracted For	Contracted For ¹³⁹	N.D. CENT. CODE § 35-01-24 (West 2012)
OH	Residential Mortgage ¹⁴⁰	Any	Any	5 years+	≤ 1% of original principal amount	OHIO REV. CODE ANN. § 1343.011(C)(1) (West 2012)

State	Loan Type	Loan Amount	Lien Type	Time Payment May Be Made Without Penalty	Terms of the Penalty Charge	Legal Reference
OH	Residential Mortgage (prepayment or refinancing) ¹⁴¹	<\$88,503 ¹⁴²	Primary	Any	Prohibited	OHIO REV. CODE ANN. § 1343.011(C)(2)(a) (West 2012)
OH	Small Loan ¹⁴³	≤\$5,000	Any	5 years+	Prohibited if refinancing ≤ 1% of original principal amount	OHIO REV. CODE ANN. §§ 1321.57(G)(1) , & 1343.011(C)(2)(a) (West 2012); OHIO ADMIN. CODE § 1301:8-3-24 (2012)
OH	Small Loan ¹⁴⁴ (Alternative)	≤\$5,000	Any	2 years+	(<1 st year) then ≤ 2% of original principal amount (>1 st year but < 2 nd year) ≤ 1% of original principal amount Prohibited when prepayment is due to: (1) refinancing by same registrant or assignee; (2) sale of secured real estate; or (3) proceeds from insurance claim for life of borrower or the secured property.	OHIO REV. CODE ANN. § 1321.57(G)(2) (West 2012)
OH	Open-end Loan ¹⁴⁵	≤\$5,000	Any	5 years+	≤ 1% of original principal amount Prohibited if refinancing	OHIO REV. CODE ANN. §§ 1321.58(C)(1) , 1321.57(G)(1) , & 1343.011(C)(2)(a) (West 2012); OHIO ADMIN. CODE § 1301:8-3-24 (2012)

State	Loan Type	Loan Amount	Lien Type	Time Payment May Be Made Without Penalty	Terms of the Penalty Charge	Legal Reference
OH	Open-end Loan ¹⁴⁶ (Alternative)	≤\$5,000	Any	2 years+	(<1 st year) then ≤ 2% of original principal amount (>1 st year but < 2 nd year) ≤ 1% of original principal amount Prohibited when prepayment due to: (1) refinancing by same registrant or assignee; (2) sale of secured real estate; or (3) proceeds from insurance claim for life of borrow or the secured property.	OHIO REV. CODE ANN. §§ 1321.58(C)(1) , & 1321.57(G)(2) (West 2012)
OK	Consumer Loan, ¹⁴⁷ refinancing, or consolidation	Any Amount, but the value of collateral must be insubstantial in relation to loan amount ¹⁴⁸	Any	Any	Prohibited	OKLA. STAT. ANN. tit. 14A, § 3-209 (West 2012)
OK	Subsection 10 Mortgage ¹⁴⁹	Any	Any	2 years+	Penalties prohibited when prepayment is result of refinancing. If within 1 st year then ≤ 2% of loan amount prepaid If within 2 nd year then ≤ 1% of loan amount prepaid ¹⁵⁰	OKLA. STAT. ANN. tit 14A, § 3-309.4(3) (West 2012)
OR	Loan ¹⁵¹	Any	Any	Contracted For	Contracted For ¹⁵²	OR. REV. STAT. ANN. § 82.160 (West 2012) OR. ADMIN. R. 441-870-0040 (2012)
OR	Loan ¹⁵³	Any	Any	Contracted For	Contracted For ¹⁵⁴	OR. REV. STAT. ANN. § 86.150(1) (West 2012)
OR	Negative Amortization Loan ¹⁵⁵	>\$50,000 ¹⁵⁶	Any	2 years+	Contracted for but prohibited when lender refinances loan ¹⁵⁷	OR. REV. STAT. ANN. § 86A.195(3) (West 2012)

State	Loan Type	Loan Amount	Lien Type	Time Payment May Be Made Without Penalty	Terms of the Penalty Charge	Legal Reference
OR	Consumer Finance Loan ¹⁵⁸	≤\$50,000 ¹⁵⁹	Any	Contracted For	Contracted for but must be reasonable and bona fide ¹⁶⁰	OR. REV. STAT. ANN. §§ 725.340(1)b)(B) (West 2012)
OR	Home Equity Line of Credit ¹⁶¹	≤\$50,000 ¹⁶²	Any	Any	Prohibited	OR. ADMIN. R. 441-730-0205(7) (2012)
PA	Residential Mortgage ¹⁶³	≤\$230,110 After 1/1/13: \$234,692 ¹⁶⁴	Any	Any	Prohibited	41 PA. CONS. STAT. ANN. § 405 (West 2012)
PA	Open-end Loan ¹⁶⁵	Any	Any	Any	Prohibited	7 PA. CONS. STAT. ANN. § 6126(5) (West 2012)
PA	Covered Loan ¹⁶⁶	<\$100,000	Any	5 years+	Contracted For ¹⁶⁷ Prohibited if refinancing with another covered loan by lender owning loan being refinanced	63 PA. CONS. STAT. ANN. § 456.511(f) (West 2012)
RI	Mortgage Loan ¹⁶⁸	Any	Any	1 years+	≤ 2% of balance due at date of pay-off ¹⁶⁹	R.I. GEN. LAWS ANN. § 34-23-5(a) (West 2012)
RI	Nonpurchase Money Loan ¹⁷⁰	Any	Any	5 years+	Contracted for & prominently disclosed in writing to borrower ¹⁷¹	R.I. GEN. LAWS ANN. § 34-23-5(b) (West 2012)
RI	High-cost Home Loan ¹⁷²	Any	Any	Any	Prohibited	R.I. GEN. LAWS ANN. § 34-25.2-6(b) (West 2012)
SC	Loan ¹⁷³	≤\$240,000 ¹⁷⁴	Any	Any	Prohibited	S.C. CODE ANN. § 37-10-103 (2011)
SC	Consumer Loan, refinancing or consolidation ¹⁷⁵	Any	Secondary	Any	Prohibited	S.C. CODE ANN. § 37-3-209 (2011)

State	Loan Type	Loan Amount	Lien Type	Time Payment May Be Made Without Penalty	Terms of the Penalty Charge	Legal Reference
SC	Consumer Home Loan ¹⁷⁶	≤ \$240,000 ¹⁷⁷	Any	Any	Prohibited	S.C. CODE ANN. § 37-23-80 (2011)
SD	Real Estate Sale Contracts ¹⁷⁸	Any	Primary	Contracted For	Contracted For	S.D. CODIFIED LAWS § 43-26-9 (2012)
TN	Consumer Loan ¹⁷⁹	Any	Any	Contracted For	Contracted For ¹⁸⁰	TENN. CODE ANN. § 47-14-108 (West 2012)
TN	Industrial or Thrift Company Loan ¹⁸¹	>\$100	Any	Any	If precomputed transaction then pay outstanding balance If not a precomputed transaction then pay outstanding balance + any earned interest unpaid as of date of prepayment.	TENN. CODE ANN. § 45-5-402(b)(2)(B) (West 2012)
TN	High Cost Home Loan ¹⁸²	Any	Any	2+ years	≤2% of amount prepaid Restricted when due to refinancing ¹⁸³	TENN. CODE ANN. § 45-20-103(9) (West 2012)
TX	Loan ¹⁸⁴ for Residential Homestead with interest rate > 12% per year	Any	Any	Any	Prohibited unless required by an agency created by federal law	TEX. FIN. CODE § 302.102 (West 2011)
TX	Equity Loan ¹⁸⁵	≤80% of the fair market value of the homestead when added with total of other outstanding principal balances ¹⁸⁶	Any	Any	Prohibited	TEX. CONST. art. 16, § 50(a)(6)(G) ; 7 TEX. ADMIN. CODE § 153.7 (2011)
TX	Secondary Mortgage Loan Transaction ¹⁸⁷	Any	Secondary	Any	Prohibited	7 TEX. ADMIN. CODE § 83.707(b) (2011)
TX	High-cost Home Loan ¹⁸⁸	≤ ½ of FNMA maximum conventional, first mortgage amount	Any	Any	Prohibited	TEX. FIN. CODE § 343.205 (West 2011)

State	Loan Type	Loan Amount	Lien Type	Time Payment May Be Made Without Penalty	Terms of the Penalty Charge	Legal Reference
TX	Manufactured Home Mortgage ¹⁸⁹	Any	Any	Any	As contracted for	TEX. FIN. CODE § 347.155(a) (West 2011)
UT	Closed-end Consumer Credit Debt	Any	Primary ¹⁹⁰	Any	Prohibited	UTAH CODE ANN. § 70C-3-101(1)(a) (West 2012)
UT	Closed-end Consumer Credit Debt ¹⁹¹	Any	Secondary	Contracted For	Contracted For ¹⁹²	UTAH CODE ANN. § 70C-3-101(1)(b) (West 2012)
UT	High-cost Mortgage ¹⁹³ Loan	Any	Any	3 years+	≤ All interest paid at 80% of prior 6 scheduled payments ¹⁹⁴ Prepayment penalty prohibited if due to refinancing by same lender or its affiliate or if prohibited under another law.	UTAH CODE ANN. § 61-2d-103 (West 2012)
VT	Loan ¹⁹⁵	Any	Any	Any	Prohibited	VT. STAT. ANN. tit. 8, § 2232a(d) and tit. 9, § 45 (West 2012)
VA	Call of Loan Secured by Real Property ¹⁹⁶	Any	Any	Any	Prohibited when lender calls the loan and refuses to permit assumption of loan by new buyer.	VA. CODE ANN. § 6.2-420 (West 2012)
VA	Loan, owner occupied in whole or part	Any	Any	None	≤ 2% of amount of prepayment	VA. CODE ANN. § 6.2-422 (West 2012)
VA	First Mortgage ¹⁹⁷	<\$75,000	Primary	None	≤ 1% of unpaid principal balance	VA. CODE ANN. § 6.2-421(B) (West 2012)
VA	Subordinate Mortgage ¹⁹⁸	Any	Subordinate	None	≤ 2% of principal amount repaid if contracted for Prohibited under certain conditions ¹⁹⁹	VA. CODE ANN. §§ 6.2-328 , & 6.2-423(A)

State	Loan Type	Loan Amount	Lien Type	Time Payment May Be Made Without Penalty	Terms of the Penalty Charge	Legal Reference
WA	Loan ²⁰⁰ Secured by a Lien on Real Property	Any	Any	Contracted For	Contracted For	WASH. ADMIN. CODE § 208-620-510(1) (2012)
WA	Open-end Loan ²⁰¹	Any	Any	Any	Prohibited	WASH. REV. CODE ANN. § 31.04.115(1)(d) (West 2012)
WA	Adjustable-Rate ²⁰² Residential Mortgage Loan ²⁰³	Any	Any	60 days prior to the initial reset period+	Contracted For	WASH. REV. CODE ANN. § 19.144.040 (West 2012); WASH. ADMIN. CODE § 208-620-560(8)(b) (2012)
WA	Junior Lien Mortgage Loan ²⁰⁴	Any	Subordinate	Any	Prohibited	WASH. ADMIN. CODE § 208-620-560(8)(c) (2012)
WA	Loan ²⁰⁵ Made by a Noncreditor under the Federal DIDMCA ²⁰⁶	Any	Any	Any	Prohibited	WASH. ADMIN. CODE § 208-620-560(8)(d) (2012)
WV	Consumer Loan made pursuant to a revolving loan account ²⁰⁷	Any	Primary	3 years+	≤ 1% of original principal amount Prohibited if refinancing within one year	W. VA. CODE ANN. § 46A-3-110 (West 2012)
WV	Industrial Loan ²⁰⁸	Any	Any	Any	Prohibited	W. VA. CODE ANN. § 46A-3-110 (West 2012)
WV	Secondary Mortgage Loan ²⁰⁹	Any	Secondary	Any	Prohibited	W. VA. CODE ANN. § 46A-3-110(2) (West 2012)

State	Loan Type	Loan Amount	Lien Type	Time Payment May Be Made Without Penalty	Terms of the Penalty Charge	Legal Reference
WI	Loan ²¹⁰	Any	Primary	5 years+ ²¹¹	≤ 60 days' interest at contract rate on amount by which aggregate principal payments for 12-month period exceeds 20% of original amount of loan	WIS. STAT. ANN. § 138.052(2)(a) (West 2011)
WI	Covered Loan ²¹²	Any	Any	3 years+	Prohibited if refinancing covered loan held by refinancing lender Prohibited if fixed-rate covered loan ≤ \$25,000 Prohibited if adjustable rate loan ≤ 60 days' interest at contract rate on amount prepaid on fixed-rate loans when borrower prepays > 20% of loan amount ²¹³	WIS. STAT. ANN. § 428.207 (West 2011)
WI	Variable Rate Loan ²¹⁴	Any	Any	3 years+	Prohibited if in connection with sale of secured property Contracted For ²¹⁵	WIS. STAT. ANN. § 138.056(3m) (West 2011)
WI	Consumer Credit Transaction ²¹⁶	Any	Secondary ²¹⁷	Any	Prohibited	WIS. STAT. ANN. § 422.208 (West 2011)
WI	Precomputed Loan ²¹⁸	Any	Any	Contracted For	Contracted For	WIS. STAT. ANN. § 138.09(8)(c) (West 2011)
WY	Consumer Loan ²¹⁹	Any	Secondary ²²⁰	Any	Prohibited	WYO. STAT. ANN. § 40-14-318 (West 2012)
WY	Residential Mortgage Loan ²²¹	Any	Primary	Contracted For	Contracted For ²²²	WYO. STAT. ANN. § 40-23-113(a)(ii) (West 2012)
WY	Residential Mortgage Loan ²²³	Any	Primary	Contracted For	Contracted For ²²⁴	WYO. STAT. ANN. § 40-23-115(b) (West 2012)

¹ ALA. CODE §§ [5-19-1\(2\)](#) (“consumer”), & [5-19-1\(9\)](#) (“credit transaction”) (West 2012).

² This “administrative law” is part of the Alabama Banking Department Regulations and is not considered to be part of the Alabama Administrative Code.

³ ALA. CODE §§ [5-19-1\(2\)](#) (“consumer”), & [5-19-1\(9\)](#) (“credit transaction”) (West 2012).

⁴ This “administrative law” is part of the Alabama Banking Department Regulations and is not considered to be part of the Alabama Administrative Code.

⁵ ALA. CODE § [5-19-1\(9\)](#) (West 2012).

⁶ “In addition to any rebate to which the debtor is otherwise entitled, when any contract upon which an interest surcharge has been charged is prepaid in full by any means within 90 days of date of the contract, the creditor shall refund or credit the debtor with a *pro rata* portion of the interest surcharge, except that in such event an amount of no less than twenty-five dollars (\$25) may be retained by the creditor.” (ALA. CODE § [8-8-14\(a\)](#)) (West 2012))

⁷ ALASKA STAT. § [06.20.900\(3\)](#) (West 2012)

⁸ ARIZ. REV. STAT. § [6-601\(7\)](#) (West 2012)

⁹ Although the statute cited does not explicitly prohibit the assessing of a prepayment penalty, permissible fees for consumer loans under Ariz. Rev. Stat. §§6-632 & 6-635 do not expressly allow a prepayment penalty to be assessed. Therefore, it is presumed that such penalties are prohibited in connection with consumer loans.

¹⁰ ARIZ. REV. STAT. § [6-601\(12\)](#) (West 2012)

¹¹ ARK. CODE ANN. § [23-39-502\(16\)](#) (West 2012); see § [23-39-502\(9\)](#) for exempt persons.

¹² CAL. FIN. CODE § [4970\(b\)](#) (West 2012)

¹³ See CAL. CIVIL CODE §§ [2954.9\(c\)](#) (prepayment penalty prohibited when natural disaster & state of emergency is involved), & [2954.10](#) (limited prepayment penalty rights when debt is accelerated) (West 2012)

¹⁴ CAL. BUS. & PROF. CODE § [10242.6](#) (West 2012)

¹⁵ See CAL. BUS. & PROF. CODE § [10242.6\(b\)](#) (West 2012) (prepayment penalty prohibited when natural disaster and state of emergency involved), & CAL. CIVIL CODE § [2954.10](#) (West 2012) (acceleration of debt and limits to prepayment penalties).

¹⁶ CAL. FIN. CODE § [50003\(p\)](#) (West 2012)

¹⁷ See CAL. BUS. & PROF. CODE § [10242.6\(b\)](#) (West 2012) (prepayment penalty prohibited when natural disaster and state of emergency involved); CAL. CIVIL CODE § [2954.10](#) (West 2012) (acceleration of debt and limits to prepayment penalties).

¹⁸ CAL. CIVIL CODE § [1916.7\(b\)](#) (West 2012)

¹⁹ CAL. CIVIL CODE § [1916.8\(a\)](#) (West 2012)

²⁰ CAL. FIN. CODE § [4995](#), & 12 CFR § [226.35](#) (West 2012).

²¹ COLO. REV. STAT. ANN. § [5-1-301\(12\)](#) (West 2012).

²² COLO. CODE REGS. § [725-3:3-1-4-3\(1\)](#) (West 2012).

²³ This rule is a prohibition against a mortgage loan originator’s recommending or inducing a borrower into a transaction that contains the prepayment penalties specified. It is **not** a prohibition against these penalties in an adjustable rate mortgage.

“Information provided to consumers should clearly explain the ramifications of prepayment penalties. Borrowers should be informed of the existence of any prepayment penalty, how it will be calculated, and when it may be imposed. A prepayment disclosure form may be prescribed by the Board, completion of which will compensate compliance with this section 5(2).” (COLO. CODE REGS. § [725-3:3-1-4-3\(1\)](#)) (West 2012))

²⁴ This rule is a prohibition against a mortgage loan originator’s recommending or inducing a borrower into a transaction that contains the prepayment penalties specified. It is **not** a prohibition against these penalties in an adjustable rate mortgage. COLO. CODE REGS. § [725-3:3-1-4-3\(6\)](#) (West 2012) (definition of “prepayment penalty”).

²⁵ COLO. REV. STAT. ANN. § [5-3.5-101\(2\)](#) (West 2012).

²⁶ CONN. GEN. STAT. ANN. § [36a-485\(21\)](#) (West 2012).

²⁷ CONN. GEN. STAT. ANN. § [36a-265\(a\)\(3\)](#) (West 2012).

²⁸ CONN. GEN. STAT. ANN. § [36a-746a\(4\)](#) (West 2012).

²⁹ CONN. GEN. STAT. ANN. § [36a-760\(7\)](#) (West 2012).

³⁰ DEL. CODE ANN. tit. 5, § [2227\(4\)](#) (West 2012).

³¹ DEL. CODE ANN. tit. 5, § [2214\(1\)](#) (West 2012).

³² “Within 3 years from the execution of the loan or financial transaction, no prepayment charge or penalty shall be contracted for or received which exceeds an amount equal to 2 months advanced interest on the aggregate amount of all prepayments in excess of 1/3 of the amount of the original loan or financial transaction made in any 12 month period.”

³³ FLA. STAT. ANN. § [697.01](#) (West 2012)

³⁴ FLA. STAT. ANN. § [516.01\(2\)](#) (West 2012).

³⁵ The statute cited does not provide any clarity as to what specific loans it applies to, nor are any official definitions given for the chapter (Chapter 4, Title 7). The only indication is that the chapter is entitled “Interest and Usury”, and the article (Article 1) is entitled “In General.” It is, therefore, understood that this rule applies to all loan contracts in general.

³⁶ GA. CODE ANN. § [7-6A-2\(7\)](#) (West 2012).

³⁷ HAW. REV. STAT. § [412:9-100](#) (West 2012).

³⁸ The prepayment penalty on any consumer loan with a term of five years or more that is primarily secured by an interest in real property and in which the interest rate is computed under section 412:9-301(2) and which is prepaid within five years of the date of the loan shall be computed on the amount prepaid in excess of twenty per cent of the original principal amount of the loan or from any anniversary of the loan date. The prepayment penalty may be charged only on amounts in excess of the twenty per cent amount in each twelve-month period in such five-year period and shall not exceed six months of interest at the then-applicable loan interest rate on the amount prepaid; provided that the interest rate is permissible under applicable usury law.”

“The prepayment penalty shall not be charged on any amount that is paid because of the exercise of any acceleration provision by the financial services loan company.” (HAW. REV. STAT. § [412:9-304\(2\)\(C\)](#) (West 2012).

³⁹ HAW. REV. STAT. § [412:9-100](#) (West 2012).

⁴⁰ “The prepayment penalty shall not be charged on any amount that is paid because of the exercise of any acceleration provision by the financial services loan company.” (HAW. REV. STAT. § [412:9-304\(2\)\(C\)](#) (West 2012)

⁴¹ HAW. REV. STAT. § [412:9-100](#) (West 2012).

⁴² “The prepayment penalty shall not be charged on any amount that is paid because of the exercise of any acceleration provision by the financial services loan company.” (HAW. REV. STAT. § [412:9-304\(2\)\(C\)](#) (West 2012)

⁴³ IDAHO CODE ANN. § [26-31-102\(10\)](#) (West 2012).

⁴⁴ IDAHO CODE ANN. § [28-41-301\(33\)](#) (West 2012).

⁴⁵ “(2)(a) For closed-end loans, the prepayment charge may not exceed an amount equal to six (6) months interest calculated on the average balance for the prior six (6) months at the rate of interest designated in the contract. If the prepayment occurs prior to the expiration of six (6) months from the date of the contract, the prepayment charge may be calculated in the same manner, except the number of months shall be the number of months the loan has existed.(3) No prepayment charge may be charged or collected if the loan is refinanced or consolidated with the same lender.” (IDAHO CODE ANN. § [28-42-306](#) (West 2012).

⁴⁶ IDAHO CODE ANN. § [28-41-301\(33\)](#) (West 2012).

⁴⁷ 205 ILL. COMP. STAT. ANN.§§ [670/1 et seq.](#) (West 2012).

⁴⁸ 205 ILL. COMP. STAT. ANN.§§ [670/1 et seq.](#) (West 2012).

⁴⁹ The penalty cannot be in connection with the sale or destruction of the dwelling securing the loan.

⁵⁰ 815 ILL. COMP. STAT. ANN. § [137/10](#) (West 2012).

⁵¹ IND. CODE ANN. § [24-4.4-1-301\(14\)](#) (West 2012). This rule applies to a refinancing or consolidation of such transaction.

⁵² IND. CODE ANN. § [24.4.5-1-301.5\(9\)](#) (West 2012).

⁵³ IND. CODE ANN. § [24-4.5-3-105](#) (West 2012).

⁵⁴ “[T]he penalty may not be imposed: (a) if the loan is refinanced or consolidated with the same creditor; (b) for prepayment by proceeds of any insurance or acceleration after default; or (c) after three (3) years from the contract date.” IND. CODE ANN. § [24-4.5-3-209\(1\)](#) (West 2012).

⁵⁵ IND. CODE ANN. § [24-9-2-9](#) (West 2012). This rule also applies to a refinancing or consolidation of a variable-rate home loan.

⁵⁶ IND. CODE ANN. § [24-9-2-8](#) (West 2012).

⁵⁷ IOWA CODE ANN. § [535.9](#) (West 2012)

⁵⁸ IOWA CODE ANN. § [537.1301\(12\)](#) (West 2012).

⁵⁹ “In addition to the requirements of the Iowa consumer credit code, chapter 537, respecting consumer loans, and notwithstanding the provisions of any note or contract to the contrary, a borrower may, at any time, prepay all or any part of the unpaid balance to become payable under any note or installment contract.” IOWA CODE ANN. § [536A.26](#) (West 2012).

⁶⁰ This rule does not apply to a transaction pursuant to open-end credit. IOWA CODE ANN. § [537.2510\(3\)](#) (West 2012)

⁶¹ This rule does not “apply to a first mortgage loan if (1) the parties agree in writing to make the transaction subject to the uniform consumer credit code, Kan. Stat. Ann. §§16a-1-101 to 16a-9-102, and amendments thereto, or (2) the loan is a high loan-to-value first mortgage loan subject to any provision of the uniform consumer credit code. In the case of a loan described in subparts (1) or (2) of the preceding sentence, the applicable provisions of the uniform consumer credit code shall govern the loan in lieu [of this rule].” KAN STAT. ANN. § [16-207\(j\)](#) (West 2012)

⁶² KAN. STAT. ANN. § [16a-1-301\(15\)](#) (West 2012).

⁶³ Includes a first lien mortgage when “(A) The loan-to-value ratio of the loan at the time when made exceeds 100%; or (B) in the case of subsection (1) of K.S.A. §16a-3-308a and amendments thereto, the annual percentage rate of the loan exceeds the code mortgage rate; or (ii) a loan made by a qualified plan, as defined in section 401 of the internal revenue code, to an individual participant in such plan or to a member of the family of such individual participant.” KAN. STAT. ANN. § [16a-1-301\(17\)\(b\)](#) (West 2012).

⁶⁴ KY. REV. STAT. ANN. § [286.8-010\(18\)](#) (West 2012).

⁶⁵ KY. REV. STAT. ANN. § [360.100\(1\)\(a\)](#) (West 2012).

⁶⁶ LA. REV. STAT. ANN. § [6:1083\(21\)](#) (West 2012).

⁶⁷ LA. REV. STAT. ANN. § [9:3516 \(13\)](#) (West 2012). However, federally related mortgage loans are excluded from these legal regulations unless “made specifically subject to the Louisiana Consumer Credit Law by contract.” LA. REV. STAT. ANN. § [9:3512\(8\)](#) (West 2012).

⁶⁸ LA. REV. STAT. ANN. § [6:1083\(21.1\)](#) (West 2012).

⁶⁹ ME. REV. STAT. tit. 9-A, § [9-302\(1\)](#) (2011); 02-030-250 ME. CODE R. § [3\(A\)](#) (2011).

⁷⁰ ME. REV. STAT. tit. 9-A, § [1-301\(12\)](#) (2011).

⁷¹ 02-029 ME. CODE R. § [II](#) (2011). Loan must be secured by an interest in land. High-cost mortgage loans are excluded. ME. REV. STAT. tit. 9-A, § [2-509](#) (2011).

“Prepayment charges that do not exceed ‘closing costs’ as defined in Title 9-A §1-301(8), excluding prepaid interest, that are actually incurred by the supervised financial organization, but are not charged to the consumer, meet the definition of ‘reasonable cost of originating the loan’ as defined in Subsection A of Section III of this rule. Any prepayment charge assessed in accordance with the foregoing must meet the following . . . requirements:

(A) The dollar amount of the prepayment charge must be disclosed in the note or other document establishing the loan or credit plan. The prepayment charge may not exceed what was disclosed nor may the prepayment charge exceed the total of the reasonable direct and indirect costs of originating the loan that were actually incurred by the supervised financial organization, but were not charged to the consumer.

(B) The prepayment charge may only be assessed if the loan is repaid in full within 36 months of the origination date of the loan or the open-end credit plan is repaid to zero and terminated within 36 months of the origination date of the open-end credit plan.” Code Me. R. 02-029 ch. 142, § [IV](#) (2011).

There are multiple prohibitions to a prepayment charge:

“(A) No prepayment charge may be assessed for (1) consumer loans with an original maturity date of 36 months or less or (2) open-end credit plans with an original termination date of 36 months or less.

(B) No prepayment charge may be assessed, if the consumer prepays the consumer loan or open-end credit plan in response to a change in terms notification issued pursuant to Title 9-A M.R.S.A. §3-204.

(C) No prepayment charge may be assessed if the consumer prepays the consumer loan or open-end credit plan when the supervised financial organization exercises its right to accelerate the loan in the event of default.

~~(D) No prepayment charge may be assessed if a consumer rescinds the transaction pursuant to 12 CFR §226.15 or 226.23~~

(E) No prepayment charge may be assessed for early repayment of a high-rate, high-fee mortgage as defined in Title 9-A §8-103(l)(F-1).” (*Ibid.* §V)

⁷² The statutory definition of this term has been repealed.

⁷³ MD. CODE ANN., COM. LAW § [12-1001\(j\) & \(f\)](#) (West 2012).

⁷⁴ There is no official definition for “secured open end credit plan.”

⁷⁵ MD. CODE ANN., COM. LAW § [12-401\(e\) & \(i\)](#) (West 2012).

⁷⁶ MD. CODE ANN., FIN. INST., § [11-501\(l\)](#) (West 2012). A national bank, or a subsidiary of such, are exempt from this rule, since this rule is preempted by 12 U.S.C. §371(a) and 12 CFR §§34.21, & 34.23. See *National City Bank of Indiana v. Turnbaugh*, 367 F.Supp.2d 805, 811 (D.Md., 2005).

⁷⁷ Prepayment penalty permitted on a loan “that is secured by a home, by a combination of home and business property, or by agricultural property, or if the loan is a commercial loan not in excess of \$15,000” MD. CODE ANN., COM. LAW., § [12-105\(c\)\(4\)](#) (West 2012). A national bank, or a subsidiary of such, are exempt from this rule, since this rule is preempted by 12 U.S.C. §371(a) and 12 CFR §§34.21 & 34.23. See *National City Bank of Indiana v. Turnbaugh*, 367 F.Supp.2d 805, 811 (D.Md., 2005).

⁷⁸ “[Prepayment penalty] May not exceed an amount equal to 2 months’ advance interest on the aggregate amount of all prepayments made in any 12-month period in excess of one-third of the amount of the original loan.” MD. CODE ANN., COM. LAW, § [12-105\(c\)\(4\)\(ii\)](#) (West 2012). Note that if the loan does not have a prepayment penalty, any effective rate of simple interest may be charged. However, if the loan contains such a penalty, the rate of interest is limited to 8%. MD. CODE ANN., COM. LAW, § [12-103\(a\) & \(b\)](#) (West 2012).

⁷⁹ MD. CODE ANN., COM. LAW, § [12-101\(c\)](#) (West 2012). A national bank, or a subsidiary of such, are exempt from this rule, since this rule is preempted by 12 U.S.C. §371(a) and 12 CFR §§34.21, & 34.23. See *National City Bank of Indiana v. Turnbaugh*, 367 F.Supp.2d 805, 811 (D.Md., 2005).

⁸⁰ “[Prepayment penalty] May not exceed an amount equal to 2 months’ advance interest on the aggregate amount of all prepayments made in any 12-month period in excess of one-third of the amount of the original loan.” (Md. Code, Commercial Law, § [12-105\(c\)\(4\)\(ii\)](#) (West 2012). Note that if the loan does not have a prepayment penalty, any effective rate of simple interest may be charged. However, if the loan contains such a penalty, the rate of interest is limited to 8%. MD. CODE ANN., COM. LAW, § [12-103\(a\) & \(b\)](#) (West 2012).

⁸¹ Applies to a first, second, or subsequent lien “on a dwelling house of 4 or less separate households or on a residential condominium unit occupied in whole or in part by the mortgagor.” MASS. GEN. LAWS ANN. ch. 183, § [56](#) (West 2012). This rule does not apply to HELOCs. [Mortgage Loan Prepayment Fee Limitations](#), Industry Advisory Letter, Division of Banks, Massachusetts (November 5, 2004).

⁸² “[I]f anticipatory payment is made within 36 months from the date of the note for the purpose of refinancing such loan in another financial institution, an *additional* payment not in excess of 3 months’ interest may be required.” MASS. GEN. LAWS ANN. ch. 183, § [56](#) (West 2012) (emphasis added).

⁸³ Applies to a first lien “on a dwelling house of three or less separate households occupied or to be occupied in whole or in part by the mortgagor.” MASS. GEN. LAWS ANN. ch. 183, § [57](#) (West 2012).

⁸⁴ This rule applies to a mortgage on real estate with an assessed value of \$40,000 or less, with a dwelling house with accommodations for six or less separate households and which is occupied in whole or in part at the time the loan is made by the borrower or by any person granting or releasing any interest under the mortgage. MASS. GEN. LAWS ANN. ch. 140, § [90A](#) (West 2012).

⁸⁵ 209 MASS. CODE REGS. [40.02](#) (2012).

⁸⁶ This rule does not apply to a lender who is subject to 209 CMR §40.03, which states: “It is an unfair act or practice for a lender subject to 209 CMR §32.00 *et seq.* to make a high cost home loan in violation of 209 CMR §32.32 or 209 CMR §32.34.” Neither of the referenced regulations prohibit prepayment penalties. No official definition for the term “lender” is provided in Chapter 32 and there are no provisions for licensing.

⁸⁷ MICH. COMP. LAWS ANN. § [438.31c\(1c\)\(2\)](#) (West 2012).

⁸⁸ MICH. COMP. LAWS ANN. § [493.51\(p\)](#) (West 2012).

⁸⁹ MINN. STAT. ANN. § [58.02\(18\)](#) (West 2012).

⁹⁰ Shall not collect “any prepayment penalty [or] fee ...for any prepayment of the residential mortgage loan upon the sale of any residential real property, or the sale of any stock, interest, or lease relating to cooperative ownership of residential real property, securing the loan.” MINN. STAT. ANN. § [58.137\(2\)\(a\)\(2\)](#) (West 2012).

⁹¹ MINN. STAT. ANN. § [58.137\(2\)\(b\)](#) (West 2012).

⁹² MINN. STAT. ANN. § [58.02\(27\)](#) (West 2012).

⁹³ MINN. STAT. ANN. § [56.125\(1\)](#) (West 2012).

⁹⁴ MISS. CODE ANN. § [75-17-31](#) (West 2012).

⁹⁵ MO. REV. STAT. § [408.015\(6\)](#) (West 2012).

⁹⁶ Missouri case law has established that, “[i]f the note and mortgage are silent on the subject of prepayment, the statute establishes a maximum allowable prepayment penalty and grants the right to repay without penalty after five years. . . In the absence of specification in the note, however, the terms of the statute controls.” *Skyles v. Burge*, 789 S.W.2d 116, 120 (Mo. Ct. App. 1990).

⁹⁷ “[W]hen an existing mortgage is replaced with a new mortgage made by another lender and the proceeds from the new loan are used to either pay down or reduce the balance to a smaller amount before paying in full and in order to avoid or reduce the prepayment penalty.” MO. REV. STAT. § [408.015\(6\)](#) (West 2012).

⁹⁸ When this penalty applies “the prepayment penalty shall not be more than two percent of the average daily balance for the prior six months.” MO. REV. STAT. § [408.036](#) (West 2012).

⁹⁹ MO. REV. STAT. § [408.231\(1\), & \(3\)](#) (West 2012).

¹⁰⁰ MO. REV. STAT. § [408.231\(1\), & \(3\)](#) (West 2012). “[W]hen an existing mortgage is replaced with a new mortgage made by another lender and the proceeds from the new loan are used to either pay down or reduce the balance to a smaller amount before paying in full and in order to avoid or reduce the prepayment penalty.” MO. REV. STAT. § [408.015\(6\)](#) (West 2012).

¹⁰¹ When this penalty applies “the prepayment penalty shall not be more than two percent of the average daily balance for the prior six months.” MO. REV. STAT. § [408.036](#) (West 2012).

¹⁰² There is no official definition for “mortgage loan.”

¹⁰³ The amount of the penalty or formula for calculating the prepayment penalty, must be disclosed to the borrower. MONT. CODE ANN. § [32-9-148\(2\)](#) (West 2011).

¹⁰⁴ This rule applies to a “licensee.” NEB. REV. STAT. § [45-702\(13\)](#) (West 2012). However, multiple entities are exempted from the requirements of this law. NEB. REV. STAT. § [45-703](#) (West 2012).

¹⁰⁵ NEB. REV. STAT. § [45-1068\(1\)](#) (West 2012).

¹⁰⁶ Financial Institutions are excluded from the Nebraska Installment Loan Act. NEB. REV. STAT. § [45-1003](#) (West 2012). See NEB. REV. STAT. §§ [8-101\(12\)](#), & [45-1002\(g\)](#) (West 2012) for definition of financial institution.

¹⁰⁷ For this prepayment penalty to be authorized, two conditions must be met. (1) The “maximum amount of the penalty to be assessed is stated in writing at the time the loan is made”; and (2) “the loan is prepaid with money other than the proceeds of another loan made by the same licensee.” NEB. REV. STAT. § [45-1024\(6\)\(c\)](#) (West 2012).

¹⁰⁸ NEB. REV. STAT. § [45-1061](#) (West 2012). A preauthorized loan is similar to a revolving credit loan.

¹⁰⁹ NEV. REV. STAT. ANN. § [598D.040](#) (West 2012).

¹¹⁰ However, it is considered an unfair lending practice when a lender “[f]inance[s] a prepayment fee or penalty in connection with the refinancing by the original borrower of a home loan owned by the lender or an affiliate of the lender.” NEV. REV. STAT. ANN. § [598D.100\(1\)\(c\)](#) (West 2012).

¹¹¹ N.H. REV. STAT. ANN. § [397-A:1\(VII\)](#) (2012). Among other qualifications, the dwelling cannot have accommodations for more than four families.

¹¹² The prepayment penalty also must be “conspicuously and clearly set forth in the note ... printed in bold type in the note or in any addendum to the note.” N.H. REV. STAT. ANN. § [397-A:15](#) (2012).

¹¹³ There are entities exempted from this statute. See N.H. REV. STAT. ANN. § [397-A:4](#) (2012).

¹¹⁴ N.H. REV. STAT. ANN. § [397-A:1\(XXII\)](#) (2012).

¹¹⁵ The penalty must “be clearly set forth in the loan documents.” N.H. REV. STAT. ANN. § [397-A:16-a\(III\)](#) (2012).

¹¹⁶ N.J. STAT. ANN. § [46:10B-1\(a\)](#) (2012).

¹¹⁷ N.M. STAT. ANN. § [56-8-24\(B\)](#) (West 2012).

¹¹⁸ N.M. STAT. ANN. § [58-21A-3\(J\)](#) (West 2012).

¹¹⁹ N.Y. GEN. OBLIG. LAW § [5-501\(3\)\(b\)](#) (McKinney 2012).

¹²⁰ N.Y. COMP. CODES R. & REGS. Tit. 3, § [82.2](#) (2012). Loan may be nonamortizing or partially amortizing. *Id.* at (b).

¹²¹ A penalty cannot be charged if it is prohibited under N.Y. BANKING LAW §§ [6-l](#), & [6-m](#) (see N.Y. GEN. OBLIG. LAW § [5-501\(3\)](#)). In addition, a charge may only be contracted for if, contractually, the interest rate remains fixed for at least 5 years and the broker, banker, and/or exempt organization complies with the provisions of N.Y. COMP. CODES R. & REGS. Tit. 3, §§ [38.2](#), [38.3](#), & [38.4](#).

¹²² N.Y. COMP. CODES R. & REGS. Tit. 3, § [80.1\(c\)](#) (2012).

¹²³ N.Y. COMP. CODES R. & REGS. Tit. 3, § [80.9\(e\)](#) (2012).

¹²⁴ N.Y. COMP. CODES R. & REGS. Tit. 3, § [80.2\(a\)](#) (2012). The \$250,000 limit is calculated by adding the amount of the junior mortgage loan to the “combined unpaid principal balance on existing loans secured” by the property. *Id.*

¹²⁵ N.Y. COMP. CODES R. & REGS. Tit. 3, § [80.1\(c\)](#) (2012).

- ¹²⁶ N.Y. COMP. CODES R. & REGS. Tit. 3, § [80.2\(a\)](#) (2012). The \$250,000 limit is calculated by adding the amount of the junior mortgage loan to the “combined unpaid principal balance on existing loans secured” by the property. *Id.*
- ¹²⁷ N.Y. BANKING LAW § [6-l\(d\)](#) (McKinney 2012).
- ¹²⁸ N.Y. BANKING LAW § [6-m\(c\)](#) (McKinney 2012).
- ¹²⁹ N.C. GEN. STAT. ANN. § [24-1.1A\(e\)](#) (West 2012). The borrower must be a natural person and the debt must be incurred “primarily for personal, family, or household purposes.” N.C. GEN. STAT. ANN. § [24-1.1A\(b\)\(1\)](#) (2012).
- ¹³⁰ N.C. GEN. STAT. ANN. § [24-1.1F\(a1\)](#) (West 2013). This statutory definition excludes an equity line of credit, a construction loan, a reverse mortgage transaction, and a bridge loan with a term of 12 months or less – all of these are statutorily defined terms.
- ¹³¹ Essentially, the loan must not be considered a “home loan” within the statutory meaning. N.C. GEN. STAT. ANN. § [24-1.1A\(e\)](#) (West 2012).
- ¹³² N.C. GEN. STAT. ANN. § [45-81\(3\)](#) (West 2012).
- ¹³³ N.C. GEN. STAT. ANN. § [45-81\(3\)](#) (West 2012). Also subject to high-cost home loan restrictions if the loan meets the terms of that statute. N.C. GEN. STAT. ANN. § [24-9\(c\)\(1\)](#) (West 2012).
- ¹³⁴ GEN. STAT. ANN. § [53-244.030\(30\)](#) (West 2012).
- ¹³⁵ N.C. GEN. STAT. ANN. § [24-12](#) (West 2012).
- ¹³⁶ Loan also must be “repayable in no less than six nor more than 181 successive monthly payments.” N.C. GEN. STAT. ANN. § [24-12](#) (West 2012).
- ¹³⁷ N.C. GEN. STAT. ANN. § [24-1.1E\(a\)\(4\)](#) (West 2012). Excludes reverse mortgage transactions. *Id.*
- ¹³⁸ “A lien is a charge imposed upon specific property by which it is made security for the performance of an act.” (N.D. Cent. Code §35-01-02)
- ¹³⁹ If “a money broker arranges a loan for a borrower” then there must be a “full disclosure of the terms thereof” of “[a]ny prepayment penalty. N.D. ADMIN. CODE [13-05-01-04](#) (2012).
- ¹⁴⁰ OHIO REV. CODE ANN. § [1343.011\(A\)\(2\)](#) (West 2012).
- ¹⁴¹ OHIO REV. CODE ANN. § [1343.011\(A\)\(2\)](#) (West 2012).
- ¹⁴² Current until January 1, 2018. This amount is adjusted annually on the first day of January. OHIO REV. CODE ANN. § [1343.011\(C\)\(2\)\(b\)](#) (West 2016). The current amount can be found at http://www.com.state.oh.us/documents/fiin_prepaymentpenalty.pdf.
- ¹⁴³ This rule specifically applies to a “loan secured by an interest in real estate.” There is no official definition for this term, but the provisions for this rule are found in Chapter 1321 “Small Loans.” A “small loan” is not officially defined as well, but a license is required of a person who wishes to engage in the business of lending loans of \$5,000 or less. OHIO REV. CODE ANN. § [1321.02](#) (West 2012). Specific entities are exempted when conducting specific business. *Id.*
- ¹⁴⁴ Applies to a “loan secured by an interest in real estate.” There is no official definition for this term, but the provisions for this rule are found in Chapter 1321 “Small Loans.” A “small loan” is not officially defined as well, but a license is required of a person who wishes to engage in the business of lending loans of \$5,000 or less. OHIO REV. CODE ANN. § [1321.02](#) (West 2012).
- ¹⁴⁵ Please see Ohio Rev. Code §[1321.16](#) for specifics of what constitutes an “open-end loan.” Outside of this, there is no official definition for this term, but the provisions for this rule are found in Chapter 1321 “Small Loans.” A “small loan” is not officially defined as well, but a license is required of a person who wishes to engage in the business of lending loans of \$5,000 or less. Ohio Rev. Code §[1321.02](#) (West 2012).
- ¹⁴⁶ Please see Ohio Rev. Code §[1321.16](#) for specifics of what constitutes an “open-end loan.” Outside of this, there is no official definition for this term, but the provisions for this rule are found in Chapter 1321 “Small Loans.” A “small loan” is not officially defined as well, but a license is required of a person who wishes to engage in the business of lending loans of \$5,000 or less (see Ohio Rev. Code §1321.02).
- ¹⁴⁷ OKLA. STAT. ANN. tit. 14A, § [3-104](#) (West 2012). If the debt is not secured by an interest in land, then the loan amount cannot exceed \$50,000. *Id.* This amount is adjusted annually. *Id.*
- ¹⁴⁸ OKLA. STAT. ANN. tit. 14A, § [3-105](#) (West 2012). However, such a loan can be made subject to this statute by agreement. *Id.*
- ¹⁴⁹ OKLA. STAT. ANN. tit. 14A, § [1-301\(1\)\(a\)](#) (West 2012). Excluded from the prepayment provisions of this statute are subsection 10 mortgages when the mortgage is “consummated with funds advanced directly or indirectly from a Federal Home Loan Bank.” *Id.* at [3-309.4\(3\)\(c\)](#).
- ¹⁵⁰ For these prepayment penalties to be possible, two conditions must be met at the time the mortgage is consummated. First, the consumer is not liable for “an amount of monthly indebtedness payments ... that is greater than fifty percent (50%) of the monthly gross income of the consumer. Secondly, “the income and expenses of the consumer are verified by a financial statement signed by the consumer, by a credit

report, and in the case of employment income, by payment records or by verification from the employer of the consumer, which verification may be in the form of a copy of a pay stub or other payment record supplied by the consumer.” OKLA. STAT. ANN. tit. 14A, § [3-309\(3\)\(b\)\(i\)\(aa\)-\(bb\)](#) (West 2012).

¹⁵¹ OR. REV. STAT. ANN. § [82.150](#) (West 2012).

¹⁵² The loan agreement must contain, in writing, of “a size equal to at least 10-point bold or underlined type” notice of the prepayment penalty. Without such notice in the loan agreement, a prepayment penalty is prohibited and unenforceable. OR. REV. STAT. ANN. § [82.160\(1\)](#) (West 2012). Loan agreement “means the written document issued in connection with a loan that sets forth the terms upon which the loan is made. *Id.* at [82.150\(2\)](#). Similarly, a lender’s right to refuse to accept prepayment must be similarly disclosed in the loan agreement to be enforceable. OR. REV. STAT. ANN. § [82.170](#) (West 2012).

¹⁵³ Loan must be secured by a mortgage or deed of trust on real property and have a maturity greater than three years. Loans “not primarily for personal, family or household use are excluded.” OR. REV. STAT. ANN. § [86.150](#) (West 2012).

¹⁵⁴ The maximum prepayment penalty must be disclosed for each year of the loan in the loan agreement and promissory note. Failure to disclose such in the loan agreement and promissory note renders such prepayment penalty “void.” OR. REV. STAT. ANN. § [86.150](#) (West 2012).

¹⁵⁵ OR. REV. STAT. ANN. § [86A.195\(1\)](#) (West 2012). Reverse mortgages with certain conditions, home equity lines of credit with certain conditions, and mortgage loans up to \$50,000 with a combined loan to value ratio of all mortgage loans on the property up to 50% are excluded from the meaning of a negative amortization loan. *Id.*

¹⁵⁶ Excluded from the meaning of “negative amortization loan” is a mortgage loan where (1) the principal is less than or equal to \$50,000; and (2) the loan to value ratio, combined, of all mortgage loans secured by the property is less than or equal to 50%. OR. REV. STAT. ANN. § [86A.195\(1\)\(b\)\(B\)](#) (West 2012). Thus, a loan up to \$50,000 falls under the purview of this statute if the combined LTV ratio is greater than 50%. *Id.*

¹⁵⁷ OR. REV. STAT. ANN. § [86A.195\(4\)](#) (West 2012).

¹⁵⁸ OR. REV. STAT. ANN. § [725.010\(2\)](#) (West 2012).

¹⁵⁹ OR. REV. STAT. ANN. § [725.045\(1\)](#) (West 2012).

¹⁶⁰ These conditions are enumerated in OR. ADMIN. R. [441-730-0205](#) (2012).

¹⁶¹ OR. ADMIN. R. [441-730-0010\(12\)](#) (2012); OR. REV. STAT. ANN. § [725.010\(2\)](#) (West 2012).

¹⁶² OR. REV. STAT. ANN. § [725.045\(1\)](#) (West 2012);

¹⁶³ 41 PA. CONS. STAT. ANN. § [101](#) (West 2012).

¹⁶⁴ This amount is [adjusted annually](#) and the next adjustment will take effect 1/1/2013. The Department of Banking of the Commonwealth publishes the new number every year in the Pennsylvania Bulletin.

¹⁶⁵ 7 PA. CONS. STAT. ANN. § [6102](#) (West 2012).

¹⁶⁶ 63 PA. CONS. STAT. ANN. § [456.503](#) (West 2012).

¹⁶⁷ Provided that the lender “also makes available a loan product without a prepayment fee.” 63 PA. CONS. STAT. ANN. § [456.511\(f\)\(2\)](#) (West 2012).

¹⁶⁸ R.I. GEN. LAWS ANN. § [34-23-5\(a\)](#) (West 2012). Property cannot contain more than four dwelling houses. *Id.*

¹⁶⁹ Any prepaid interest or other charges must be rebated. R.I. GEN. LAWS ANN. § [34-23-5\(a\)](#) (West 2012).

¹⁷⁰ R.I. GEN. LAWS ANN. § [34-23-5\(a\)](#) (West 2012). Property cannot contain more than four dwelling houses. *Id.*

¹⁷¹ Further, the borrower must agree and consent to be bound by the terms of the prepayment penalty, and that the lender has “available a similar mortgage product” that complies with the mortgage loan restrictions. R.I. GEN. LAWS ANN. § [34-23-5\(c\)](#) (West 2012).

¹⁷² R.I. GEN. LAWS ANN. § [34-25.2-4\(l\)](#) (West 2012).

¹⁷³ S.C. CODE ANN. § [37-3-106](#) (2011) (definition of ‘loan). Further, the debt must represent a personal, family, or household purpose. *Id.* at [37-10-103](#).

¹⁷⁴ This dollar amount is subject to change. S.C. CODE ANN. § [37-1-109](#) (2011). The Administrator of the South Carolina Commission on Consumer Affairs publishes the new figure on or before April 30th of each year of each even-numbered year and the change will become effective on July 1st of such year. This current amount is effective from 7/1/2012 to 6/30/2014 and can be found at

<http://www.consumer.sc.gov/Documents/LEGAL/DollarAmount2012.pdf>

- ¹⁷⁵ S.C. CODE ANN. § [37-3-104](#) (2011). A consumer loan “does not include a loan secured by a first lien or equivalent security interest in real estate.” S.C. CODE ANN. § [37-3-105\(1\)](#) (2011).
- ¹⁷⁶ S.C. CODE ANN. § [37-23-20\(4\)](#) (2011).
- ¹⁷⁷ This dollar amount is subject to change. S.C. CODE ANN. § [37-1-109](#) (2011). The Administrator of the South Carolina Commission on Consumer Affairs publishes the new figure on or before April 30th of each year of each even-numbered year and the change will become effective on July 1st of such year. This current amount is effective from 7/1/2012 to 6/30/2014 and can be found at <http://www.consumer.sc.gov/Documents/LEGAL/DollarAmount2012.pdf>.
- ¹⁷⁸ “[A]ny contract made in this state for the purchase and sale of realty . . .” S.D. CODIFIED LAWS § [43-26-9](#) (2012).
- ¹⁷⁹ TENN. CODE ANN. § [47-14-108](#) (West 2012).
- ¹⁸⁰ For loans not subject to the Federal Truth in lending Act, notice of prepayment penalty or prohibition of prepayment must be given in contract in font at least of 10 point size and in language separated from other language in the contract by bold print dividing lines. TENN. CODE ANN. § [47-14-108\(b\)](#) (West 2012).
- ¹⁸¹ See TENN. CODE ANN. § [45-5-104](#) (West 2012) for entities excluded from this statute.
- ¹⁸² TENN. CODE ANN. § [45-20-102\(8\)](#) (West 2012).
- ¹⁸³ A prepayment penalty is prohibited when the refinancing is being done by the lender (or an affiliate) who is the note holder of the note being refinanced. TENN. CODE ANN. § [45-20-103\(9\)\(B\)](#) (West 2012).
- ¹⁸⁴ TEX. FIN. CODE § [301.002\(10\)](#) (West 2011).
- ¹⁸⁵ An equity loan has the same meaning as ‘extension of credit’ in TEX. CONST. art. 16, § [50\(a\)\(6\)](#). 7 TEX. ADMIN. CODE § [153.1\(7\)](#) (2011).
- ¹⁸⁶ There are multiple conditions that a loan must satisfy to be considered an extension of credit and thus, an equity loan. These conditions are contained in TEX. CONST. art. 16, § [50\(a\)\(6\)](#).
- ¹⁸⁷ TEX. FIN. CODE § [342.001\(4\)](#) (West 2011).
- ¹⁸⁸ TEX. FIN. CODE § [343.201\(1\)](#) (West 2011).
- ¹⁸⁹ This law applies to ‘credit transactions’ which is limited by the statute to apply to manufactured housing transactions, sales and loans. TEX. FIN. CODE § [347.002\(a\)\(3\)](#) (West 2011).
- ¹⁹⁰ Closed-end credit secured by a first lien or equivalent security interest must be made subject to Title 70C, Utah Consumer Credit Code, explicitly in writing for this prohibition to apply. UTAH CODE ANN. § [70C-1-202\(1\), & \(2\)\(b\)](#) (West 2012).
- ¹⁹¹ For purposes of this rule, the credit must NOT be subjected to 12 CFR §226.32 (i.e. be a high-cost loan). UTAH CODE ANN. § [70C-3-101\(1\)\(b\)](#) (West 2012).
- ¹⁹² The creditor must off the debtor the option of entering into either a contract without a prepayment penalty, or a contract with such a penalty and a rate of finance charge or fee that is lower than the rate of the other contract. Otherwise, the creditor is prohibited from charging a prepayment penalty. UTAH CODE ANN. § [70C-3-101\(1\)\(b\)](#) (West 2012).
- ¹⁹³ UTAH CODE ANN. § [61-2d-102\(3\)](#) (West 2012). There are four ways in which a loan can be considered a high-cost mortgage loan, please see the cited statute for details.
- ¹⁹⁴ If the prepayment does not pay the full amount owed, then the “penalty shall be reduced by a percentage equal to the percentage of the balance owed before the prepayment that remains unpaid.” UTAH CODE ANN. § [61-2d-103\(4\)](#) (West 2012).
- ¹⁹⁵ This law applies only to licensed lenders, which based on what types of lenders must have this license, means that this statute applies primarily to mortgage loans. VT. STAT. ANN. tit. 8, § [2201\(a\)](#) (West 2012).
- ¹⁹⁶ This rule applies to a loan secured by real property comprised of one- to four-family residential dwelling units and only upon an enforcement of the right to call the loan when the sale of the property occurs and the lender has refused to approve the assumption of the loan by the new buyer. VA. CODE ANN. § [6.2-420](#) (West 2012).
- ¹⁹⁷ VA. CODE ANN. § [6.2-421\(1\)](#) (West 2012) (definition of ‘first mortgage’). This statute excludes loans governmentally regulated as to prepayment privileges and loans subject to VA. CODE ANN. § [6.2-422](#), & [6.2-1409](#). VA. CODE ANN. § [6.2-421](#) (West 2012).
- ¹⁹⁸ Exempted from this statute are loans made by “a bank, savings institution, industrial loan association, or credit union or (ii) a seller in a real estate transaction who takes a subordinate mortgage or deed of trust on such real estate.” VA. CODE ANN. § [6.2-423\(C\)](#) (West 2012).
- ¹⁹⁹ These conditions include: refinancing or consolidation with same lender or subsequent noteholder; acceleration of debt due to default; partial prepayment; or open-end credit plan prepayment of balance without a demand to release the subordinate deed/mortgage. VA. CODE ANN. § [6.2-423](#) (West 2012).
- ²⁰⁰ WASH. ADMIN. CODE § [208-620-010](#) (West 2012).
- ²⁰¹ WASH. REV. CODE ANN. § [31.04.115\(1\)](#) (West 2012). Certain entities are exempted from the Consumer Loan Act. See WASH. REV. CODE ANN. § [31.04.025\(2\)](#) (West 2012).
- ~~²⁰² WASH. REV. CODE ANN. § [19.144.010\(1\)](#) (West 2012).~~

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- ²⁰³ WASH. REV. CODE ANN. § [19.144.010\(10\)](#) (West 2012). This statute applies only to financial institutions, as defined in WASH. REV. CODE ANN. § [19.144.010\(6\)](#) (West 2012).
- ²⁰⁴ Certain entities are exempted from the Consumer Loan Act. See WASH. REV. CODE ANN. § [31.04.025\(2\)](#) (West 2012).
- ²⁰⁵ WASH. ADMIN. CODE § [208-620-010](#) (West 2012).
- ²⁰⁶ Certain entities are exempted from the Consumer Loan Act. See WASH. REV. CODE ANN. § [31.04.025\(2\)](#) (West 2012). DIDMC refers to the Federal Depository Institutions Deregulation and Monetary Control Act of 1980 (Pub. L. 96-221). This law is codified in various parts of the Federal Code.
- ²⁰⁷ W. VA. CODE ANN. § [46A-1-104](#) (describing application of the West Virginia Consumer Credit and Protection Act as applying to “consumer loan[s] made pursuant to a revolving loan account”) (West 2012). W. VA. CODE ANN. § [46A-1-102\(15\)](#), & [\(40\)](#) (West 2012) (definition of ‘consumer loan’ and ‘revolving loan account’ respectively). Further, mortgage lenders and broker licensees “are excluded from the provisions of this chapter to the extent those provisions directly conflict with any section of article seventeen, chapter thirty-one of this code.” W. VA. CODE ANN. § [46A-1-105](#) (West 2012). Additionally, housing loans “originated by the West Virginia Development Fund” are exempt from the prepayment restrictions. W. VA. CODE ANN. § [46A-3-110\(3\)](#) (West 2012).
- ²⁰⁸ References to “industrial loan company licensees” refers to regulated consumer lender licensees. W. VA. CODE ANN. § [46A-4-112](#) (West 2012).
- ²⁰⁹ W. VA. CODE ANN. § [46A-1-102\(25\)](#) (West 2012).
- ²¹⁰ WIS. STAT. ANN. § [138.052\(1\)\(b\)](#) (West 2011). Covered loans are excluded from the provisions of this statute. *Id.* at [\(2\)\(a\)\(2\)](#).
- ²¹¹ Prepayment penalty prohibited 5 years or more from date of loan regardless of “any refinancing, renewal, extension or modification of the loan.” WIS. STAT. ANN. § [138.052\(2\)\(a\)\(3\)](#) (West 2011).
- ²¹² WIS. STAT. ANN. § [428.202\(2\)](#) (West 2011).
- ²¹³ Before a lender can include a prepayment penalty in a covered loan, the lender must offer the customer a loan product without a prepayment penalty in writing and initialed by the customer. There is specific disclosure language required by the state. WIS. STAT. ANN. § [428.207\(1\)\(b\)](#) (West 2011).
- ²¹⁴ WIS. STAT. ANN. § [138.056\(1\)\(d\)](#) (West 2011).
- ²¹⁵ Certain disclosures must be made to the consumer and the lender must offer the consumer a variable rate loan without a prepayment penalty. WIS. STAT. ANN. § [138.056\(3m\)](#) (West 2011).
- ²¹⁶ WIS. STAT. ANN. § [421.301\(10\)](#) (West 2011).
- ²¹⁷ Primary loans can be included if they have and original term of 10 years or less and an annual percentage rate is greater than 10%. WIS. STAT. ANN. § [422.208](#) (West 2011).
- ²¹⁸ WIS. STAT. ANN. § [138.09\(7\)\(a\)](#) (West 2011). This statute excludes banks, savings banks, savings and loan associations, trust companies, credit union, or any of their affiliates. WIS. STAT. ANN. § [138.09\(1a\)\(a\)](#) (West 2011).
- ²¹⁹ WYO. STAT. ANN. § [40-14-304](#) (West 2012). Parties may agree in writing to be subject to this act even when the transaction does not qualify as a ‘consumer loan.’ *Id.* at [40-14-354](#).
- ²²⁰ First mortgage loans which are not precomputed are exempted from this statute. First mortgage loans where the value of the collateral is substantial in relation to the amount of the loan at the time the loan is made and where the loan finance charges do not exceed 18% per year are also exempted. WYO. STAT. ANN. § [40-14-305](#) (West 2012).
- ²²¹ WYO. STAT. ANN. § [40-23-102\(xv\)](#) (West 2012). This statute applies to mortgage lenders.
- ²²² Certain disclosure requirements must be met. See WYO. STAT. ANN. § [40-23-113\(1\)\(ii\)](#) (West 2012).
- ²²³ WYO. STAT. ANN. § [40-23-102\(xv\)](#) (West 2012). This statute applies to mortgage brokers.
- ²²⁴ Certain disclosure requirements must be met. See WYO. STAT. ANN. § [40-23-115\(b\)](#) (West 2012).