

DSCR (Business Purpose) Mortgage Loans			
State Licensing Requirements			Prepayment Penalty (PPP)
State	License Required	Type of License	PPP & PPP Terms (where applicable)
Alabama	No	N/A	<b>Allowed</b>
			Consumer credit simple interest transaction contract $\geq$ \$2,000 creditor exempt from licensing under the Alabama Consumer Credit Act (ie. National Housing Act approved lenders).
Alaska	Yes, if Borrower is an individual	Mortgage Broker	<b>Not Allowed</b>
	No if Borrower is LLC/Corp	N/A	<i>Exception:</i> Federally insured loans which require a PPP.
Arizona	Yes	Mortgage Broker/Commercial Broker	<b>Allowed</b>
			Prohibited for Home Equity Revolving loans $\leq$ \$10,000
Arkansas	No	N/A	<b>Allowed</b>
			In the first 3 years only and assessed against principal loan amount remaining: $\leq$ 3% (1st 12-month period) $\leq$ 2% (2nd 12-month period) $\leq$ 1% (3rd 12-month period).
California	Yes	Real Estate Broker	<b>Allowed</b>
			In the first 7 years only; only on amounts exceeding 20% of the unpaid balance in any 12-month period. Penalty cannot exceed 6 months interest on the prepaid amount exceeding 20% of the unpaid balance. Excludes loans secured by dwellings damaged in a natural disaster and a state of emergency is declared.
Colorado	No	N/A	<b>Allowed</b>
			Specific disclosure required
Connecticut	No	N/A	<b>Allowed</b>
DC	No	N/A	<b>Allowed</b>
			First 3 years only; cannot exceed 2 months interest of all prepayments exceeding 1/3 of original loan amount in any 12-month period.
Delaware	No	N/A	<b>Allowed</b>
			Specified in the agreement, bond or note.
Florida	Yes, if Borrower is an individual	Mortgage Broker	<b>Allowed</b>
	No if Borrower is LLC/Corp	N/A	Specified in mortgage contract/note.
Georgia	Yes, if Borrower is an individual	Mortgage Broker	<b>Allowed</b>
	No if Borrower is LLC/Corp	N/A	1st 12 months: $\leq$ 2% of amount prepaid; 2nd 12 months: $\leq$ 1% of amount prepaid.
Hawaii	No	N/A	<b>Allowed</b>
Idaho	Yes	Mortgage Broker	<b>Allowed</b>
Illinois	Yes	Mortgage Broker	<b>Allowed</b>

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			Interest rates $\geq$ 8%
Indiana	No	N/A	<b>Allowed</b>
Iowa	Yes	Mortgage Broker	<b>Allowed</b>
Kansas	Yes, if Borrower is an individual	Mortgage Broker	<b>Allowed</b>
	No if Borrower is LLC/Corp	N/A	
Kentucky	No	N/A	<b>Allowed</b> $\leq$ 3% (1st 12-month period); $\leq$ 2% (2nd 12-month period) $\leq$ 1%; (3rd 12-month period)
Louisiana	No	N/A	<b>Allowed</b>
Maine	No	N/A	<b>Allowed</b>
Maryland	No	N/A	<b>Allowed</b>
Massachusetts	No	N/A	<b>Allowed</b>
Michigan	Yes	Mortgage Broker	<b>Allowed</b>
			Within the first 3 years; must be $\leq$ 1% of the amount of the prepayment
Minnesota	Yes	Mortgage Broker	<b>Not Allowed</b>
			<i>Exception: The borrower accepts the PPP using a written disclosure; the penalty does not exceed the lesser of 2% or 60 days interest on the unpaid principal balance; only in the first 42 months. A loan without a prepayment penalty must also be offered. Applies to licensed nonbank mortgage lenders</i>
Mississippi	No	N/A	<b>Allowed</b>
			Within the first 5 years only and limited to: 5% of the unpaid during for the 1 <sup>st</sup> year, 4% the 2 <sup>nd</sup> year, 3% the 3 <sup>rd</sup> year, 2% the 4 <sup>th</sup> year & 1% the 5 <sup>th</sup> year.
Missouri	No	N/A	<b>Allowed</b>
			Within the first 5 years only; cannot exceed 2% of the balance at the time of prepayment.
Montana	Yes	Mortgage Broker	<b>Allowed</b>
Nebraska	Yes	Mortgage Banker	<b>Allowed</b>
Nevada	Yes	Mortgage Banker	<b>Allowed</b>
New Hampshire	No	N/A	<b>Allowed</b>
			PPP shall be printed in bold type in the note or in any note addendum.

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New Jersey	Yes	Real Estate Broker	<b>Allowed</b> Permitted only if mortgagor is limited liability company or corporation
New Mexico	No	N/A	<b>Not Allowed</b>
New York	N/A	N/A	<b>Allowed</b>
North Carolina	Yes	Mortgage Broker	<b>Allowed</b>
North Dakota	Yes	Money Broker License	<b>Allowed</b>
Ohio	No	N/A	<b>Not Allowed</b>
Oklahoma	No	N/A	<b>Allowed</b>
Oregon	Yes	Mortgage Broker	<b>Allowed</b> Specific disclosure required
Pennsylvania	No	N/A	<b>Allowed</b> Loan Amount must exceed \$312,159
Rhode Island	No	N/A	<b>Allowed</b> Within the 1 <sup>st</sup> year only; Not exceeding 2% of the outstanding balance
South Carolina	No	N/A	<b>Allowed</b>
South Dakota	Yes	Mortgage Lender	<b>Allowed</b>
Tennessee	No	N/A	<b>Allowed</b>
Texas	No	N/A	<b>Allowed</b>
Utah	Yes	Mortgage Broker	<b>Allowed</b>
Vermont	Yes	Mortgage Broker	<b>Allowed</b>
Virginia	No	N/A	<b>Allowed</b>
Washington	No	N/A	<b>Allowed</b>
West Virginia	No	N/A	<b>Allowed</b>
Wisconsin	No	N/A	<b>Allowed</b> Specific disclosure required
Wyoming	No	N/A	<b>Allowed</b>