

Bulletin 21-63

Updated Prepayment Penalty Availability on Simple Access Investment Properties

Homebridge is expanding the states that are available for the prepayment penalty option on the Simple Access program when the loan is secured by an investment property

The states eligible for the prepayment penalty option has been expanded to include the following states:

- Hawaii,
- Illinois,
- Massachusetts,
- South Carolina,
- Vermont

As a reminder, the following applies to the prepayment penalty option:

- Available on all documentation options but it is **not** required
- Investment properties only
- A 1 year, 2 year, and 3 year prepay is available
- The prepayment penalty applies when:
 - There is a full prepayment, or
 - Any payment within the preceding 12 months exceeds 20% of the original principal loan amount
- The prepayment charge will equal 2.5% of the amount of the prepayment that exceeds 20% of the original principal loan amount

The prepayment penalty option is available in the **additional** states listed above effective November 5, 2021 for floating transactions

NOTE: Loans locked prior to November 5, 2021 are **not eligible** to add the prepayment to the transaction if the property is located in one of the additional states

The Prepayment Penalty topic in the Simple Access guidelines have been updated and posted on the Homebridge website at www.HomebridgeWholesale.com

If you have any questions, please contact your Account Executive