

QM POINTS and FEES SUMMARY [12 C.F.R. 1026.32(b)(1) and 1026.43(e)(3)]

INCLUDE in QM Points and Fees	EXCLUDE from QM Points and Fees	Examples	May be Reduced by Lender Credit*	Fee May be Reduced by Seller Credit*
Compensation paid by the Lender to the Loan Originator/Mortgage Broker [1026.32(b)(1)(ii)]	Compensation paid to the individual Loan Originators employed by the Broker	Include all Lender-paid broker compensation	No	No
Origination charges paid by the Borrower to the Originator/Mortgage Broker [1026.32(b)(1)(ii)]	Compensation paid to Broker's employees	Include all Borrower-paid broker compensation	No	No
Lender charges [1026.32(b)(1)(i)]	No PRMG Lender Fees on Wholesale loan originations on or after 01-10-14		Yes	Yes
Upfront PMI premium that is not automatically refundable or that exceeds FHA UFMIP [1026.32(b)(1)(i)(C)]	VA Funding Fee, USDA Guarantee Fee, FHA Upfront MIP, Annual FHA and PMI MIP; PMI UFMIP that is automatically refundable and does not exceed FHA UFMIP	Include any upfront PMI premium that is paid by the borrower, is not automatically refundable when the mortgage is satisfied or, even if the premium is non-refundable, include any portion that exceeds FHA UFMIP	Yes	Yes
Non- <i>bona fide</i> discount points, discount points that do not lower the interest rate [1026.32(b)(1)(i)(E), (F) and 32(b)(3)]	Up to one or two <i>bona fide</i> discount points, as permissible** [106.32(b)(1)(i)(E) and (F)]	see ** below	Yes	Yes
Maximum prepayment penalty [1026.32(b)(1)(v)]	PRMG does not presently offer any products with prepayment penalties		Yes	No
Third-party fees that are finance charges (APR fees) and are retained by the Lender or the Broker or an affiliate*** of the Lender or the Broker [1026.32(b)(1)(i) and 4(a) and (b)]	<i>Bona-fide</i> third-party charges, even if they are finance charges (APR fees), that are not retained by the Lender or the Broker or an affiliate*** of the Lender or the Broker	Exclude settlement service, escrow fee, document signing; third-party processing fees may be excluded unless the processor is an affiliate*** of the Broker or required to be included as originator compensation under state law, e.g. , Florida	Yes -- except third-party processing fees required to be included as originator comp	Yes -- except third-party processing fees required to be included as originator comp
Real estate-related charges that are retained by the Lender or an affiliate*** of the Lender [1026.32(b)(1)(iii) and 4(c)(7)]	Reasonable real-estate related charges that are not finance charges and not retained by the Lender or an affiliate*** of the Lender	Exclude title insurance premiums, fees for preparing deeds or mortgages, notary, credit report, appraisal	Yes	No
* Clear documentation of the party responsible for payment is required for the application of Lender-or Seller-credits to reduce fees; <i>i.e.</i> , purchase contract; specifically, discount points.				
** Up to two <i>bona fide</i> discount points may be excluded if the undiscounted rate does not exceed the APOR by more than 1% on the interest rate lock date;				
up to one <i>bona fide</i> discount point may be excluded if the undiscounted rate does not exceed the APOR by more than 2% on the lock date.				
*** "Affiliate" as defined under the Bank Holding Company Act @ 12 USC 1841. PRMG is not presently affiliated with any settlement service providers.				

QM POINTS and FEES CAPS

12 CFR 1026.32(b)

Total Loan Amount*	Maximum Points and Fees
\$100,000 or greater	3.0% of Total Loan Amount*
\$60,000 - \$100,000	\$3,000
\$20,000 - \$60,000	5.0% of Total Loan Amount*
\$12,500 - \$20,000	\$1,000
< \$12,500	8.0% of Total Loan Amount

***Total Loan Amount** = the Amount Financed on the Truth in Lending Disclosure Statement (TIL) -- note amount minus APR fees --minus any non-APR fees paid to an affiliate of the Lender** or the Broker[1026.32(4)(i)]