



June 15, 2021

General Announcement: **Introducing Five-Year Prepayment Penalty Period and Buydown Options**

Hello Acra Lending Team,

Effective immediately, Acra Lending rates for business purpose loans have been decreased, but a 5-year default prepayment penalty period (PPP) has been implemented as a tradeoff for the lower rate. However, borrowers will be able to buydown PPP to 4, 3, 2 and 1-year as reflected in the table below:

5-Year Prepay	--	All INV: 5% / 4% / 3% / 2% / 1% Sequential Stepdown Prepayment Penalty
4-Year Prepay	0.125%	All INV: 4% / 3% / 2% / 1% Sequential Stepdown Prepayment Penalty
3-Year Prepay	0.250%	All INV: 3% / 2% / 1% Sequential Stepdown Prepayment Penalty
2-Year Prepay	0.500%	All INV: 2% / 1% Sequential Stepdown Prepayment Penalty
1-Year Prepay	0.750%	All INV: 2% Prepayment Penalty
Buy Out Prepay	1.00 pt	Not applicable if Transaction is on Primary Residence or 2nd Home

Note: A PPP is not allowed for loans secured by properties in Minnesota, New Jersey and Vermont.

Business Solutions personnel have revised BytePro PPP data entry screens as shown below:

1. Data Entry (ULA Screen)

2. Data entry screens for the “Prepayment Penalties for Business Purpose Loans” screen can be located in three different application locations:

- Closing Disclosure Page 1
- Loan Estimate Page 1



- UW Prepayment Penalty Screen

Prepayment Penalties for Business Purpose Loans			
Prepayment Penalty		Term	Prepayment Percentage
	▼	Months	▼ (Only use on 1 year prepayments)
1 Year Waterfall Prepay % UPB Period: 12			
AL, AR, AZ, CA, CO, CT, DC, DE, FL, GA, HI, ID, IL, IN, KS, KY, LA, MA, MD, ME, MI, MO, MS, MT, NC, ND, NE, NH, NV, NY, OH, OK, OR, PA, RI, SC, SD, TN, TX, UT, VA, WA, WI, WV, WY			
Max Payment (1%):	0.00	Max Payment:	0.00
Max Payment (2%):	0.00		
Max Payment (3%):	0.00		
2 Year Waterfall Prepay % UPB Period: 24			
AL, AR, AZ, CA, CO, CT, DC, DE, FL, GA, HI, ID, IL, IN, KS, KY, LA, MA, MD, ME, MI, MO, MS, MT, NC, ND, NE, NH, NV, NY, OH, OK, OR, PA, RI, SC, SD, TN, TX, UT, VA, WA, WI, WV, WY			
Max Payment:	0.00	Max Payment:	0.00
3 Year Waterfall Prepay % UPB Period: 36			
AL, AR, AZ, CA, CO, CT, DC, DE, FL, GA, HI, ID, IL, IN, KS, KY, LA, MA, MD, ME, MI, MO, MS, MT, NC, ND, NE, NH, NV, NY, OH, OK, OR, PA, RI, SC, SD, TN, TX, UT, VA, WA, WI, WV, WY			
Max Payment:	0.00	Max Payment:	0.00
4 Year Waterfall Prepay % UPB Period: 48			
AL, AR, AZ, CA, CO, CT, DC, DE, FL, GA, HI, ID, IL, IN, KS, KY, LA, MA, MD, ME, MI, MO, MS, MT, NC, ND, NE, NH, NV, NY, OH, OK, OR, PA, RI, SC, SD, TN, TX, UT, VA, WA, WI, WV, WY			
Max Payment:	0.00	Max Payment:	0.00
5 Year Waterfall Prepay % UPB Period: 60			
AL, AR, AZ, CA, CO, CT, DC, DE, FL, GA, HI, ID, IL, IN, KS, KY, LA, MA, MD, ME, MI, MO, MS, MT, NC, ND, NE, NH, NV, NY, OH, OK, OR, PA, RI, SC, SD, TN, TX, UT, VA, WA, WI, WV, WY			
Max Payment:	0.00	Max Payment:	0.00

Prepayment Penalties are Prohibited in the Following States: MN, NJ, VT

We hope this explanation has been presented clearly and easily understood, but if you have any questions on the above, please contact QC@Acralending.com

Thank You,

Compliance Department