

This general announcement is to inform all impacted departments that, as of the date of this communication, all ODF and ODF+ commercial and business purpose loans within the state of Michigan, wherein the borrower(s) elect a prepayment penalty (PPP), will now have the PPP calculated at 1% of the unpaid principal balance (UPB), regardless of whether the prepay occurs within the 1<sup>st</sup>, 2<sup>nd</sup> or 3<sup>rd</sup> year from the consummation date of the loan.

This change has been implemented in the “Loan Estimate Page 1” screen and the “CD-Initial Doc Prep” screen on Bytepro, as shown below.

Prepayment Penalties			
<b>Prepayment Penalty</b>	Yes <input type="checkbox"/>	<b>Term</b>	12 Months
<b>Prepayment Percentage</b>		<input type="checkbox"/> (Only use on 1 year prepayments)	
<b>1 Year Waterfall Prepay % UPB   Period: 12</b> AZ, CA, CO, CT, DE, FL, GA, HI, ID, IN (No ARM), ME, MT, NE, NV, NC>300k, ND, OK, OR, PA>237k, SD, TN, TX, UT, WA, WY		<b>2 Months Interest   Period: 24</b> MD (TRID)	
Max Payment (1%): 6,925.00		Max Payment: 5,674.65	
Max Payment (2%): 13,850.00		<b>6 Months Interest   Period: 24</b> DC, IL, NH, WI	
Max Payment (3%): 20,775.00		Max Payment: 20,428.75	
<b>2 Year Waterfall Prepay % UPB   Period: 24</b> AZ, CA, CO, CT, DE, FL, GA, HI, ID, IN (No ARM), ME, MT, NE, NV, NC>300k, ND, OK, OR, PA>237k, SD, TN, TX, UT, WA, WY		<b>1 Year Prepay 2% UPB   Period: 12</b> KS, NC >150K <300K, OH, RI, SC, WV	
Max Payment: 13,850.00		Max Payment: 13,850.00	
<b>3 Year Waterfall Prepay % UPB   Period: 36</b> AZ, CA, CO, CT, DE, FL, GA, HI, ID, IN (No ARM), ME, MT, NE, NV, NC>300k, ND, OK, OR, PA>237k, SD, TN, TX, UT, WA, WY		<b>5 Year Waterfall Prepay % UPB   Period: 60</b> LA, MS	
Max Payment: 20,775.00		Max Payment: 34,625.00	
<b>1 Year Prepay % UPB   Period: 12</b> MI Max Payment (1%): 6,925.00			
<b>2 Year Prepay % UPB   Period: 24</b> MI Max Payment: 6,925.00			
<b>3 Year Prepay % UPB   Period: 36</b> MI Max Payment: 6,925.00			
Prepayment Penalties are Prohibited in the Following States: AK, IA, NJ, NM, VT			

**Prepayment Penalty**

Occupancy **Primary Residence** State **MI**

Prepayment Penalty **Yes** - As high as \$ **300,000.00** if paid off during the first **12** months

**\* Not allowed on Primary Residence / O/O**

**Prepayment Penalties are Prohibited in the Following States: AK, IA, NJ, NM, VT**

Prepayment Penalty **Yes** Term **12** months

Prepayment Percentage  (Only use on 1 year prepayments)

<b>1 Year Waterfall Prepay % UPB   Period: 12</b> AZ, CA, CO, CT, DE, FL, GA, HI, ID, IN (No ARM), ME, MT, NE, NV, NC>300k, ND, OK, OR, PA>237k, SD, TN, TX, UT, WA, WY Max Payment (1%): 6,925.00 Max Payment (2%): 13,850.00 Max Payment (3%): 20,775.00	<b>2 Months Interest   Period: 24</b> MD (TRID) Max Payment: 5,674.65 <b>6 Months Interest   Period: 24</b> DC, IL, NH, WI Max Payment: 20,428.75	<b>1 Year Prepay % UPB   Period: 12</b> <b>MI</b> Max Payment (1%): 6,925.00
<b>2 Year Waterfall Prepay % UPB   Period: 24</b> AZ, CA, CO, CT, DE, FL, GA, HI, ID, IN (No ARM), ME, MT, NE, NV, NC>300k, ND, OK, OR, PA>237k, SD, TN, TX, UT, WA, WY Max Payment: 13,850.00	<b>1 Year Prepay 2% UPB   Period: 12</b> KS, NC >150K <300K, OH, RI, SC, WV Max Payment: 13,850.00	<b>2 Year Prepay % UPB   Period: 24</b> <b>MI</b> Max Payment: 6,925.00
<b>3 Year Waterfall Prepay % UPB   Period: 36</b> AZ, CA, CO, CT, DE, FL, GA, HI, ID, IN (No ARM), ME, MT, NE, NV, NC>300k, ND, OK, OR, PA>237k, SD, TN, TX, UT, WA, WY Max Payment: 20,775.00	<b>5 Year Waterfall Prepay % UPB   Period: 60</b> LA, MS Max Payment: 34,625.00	<b>3 Year Prepay % UPB   Period: 36</b> <b>MI</b> Max Payment: 6,925.00

Accordingly, rate sheets will now state that prepayment penalty rates may vary per state.

If you have any questions please reach out to your manager.