

Settlement & Financing Costs



Regulatory Requirements	<p>Borrower fees allowed in IFA Homeownership programs follow Section Title 26 of the Internal Revenue Code for Mortgage Revenue Bond financing.</p> <p>Title 26 allows lenders to charge settlement or financing costs that do not exceed “reasonable and customary” costs which would be paid for by the buyer where financing is not provided through a Mortgage Revenue Bond program. IFA is responsible for determining fees considered “reasonable and customary” within its programs.</p>				
Lender Compensation	<p>Lender compensation refers to the fees the lender retains to cover the cost of originating the loan and delivering it into an IFA program. IFA permits only the following lender compensation listed below.</p> <ul style="list-style-type: none"> • An origination fee not to exceed 1% of the loan amount, and • Additional lender administrative fees not to exceed \$1,300, as allowed under Iowa Code. <p>All lender compensation, including origination, processing, underwriting, or any other lender administrative fees, must be included within these limits. No lender fees may be charged above these amounts. Fees may not be itemized, shifted, or structured in a way that results in total compensation exceeding these amounts.</p> <p>If Iowa Code imposes a more restrictive limitation, the more restrictive requirement applies.</p>				
Servicing Release Premium	<p>Based on timing of delivery. See Exhibit A of the Mortgage Origination Agreement.</p>				
Other Transaction Costs	<p>Other transaction costs include items charged by a third party as part of originating the loan. IFA considers the following types of fees to be reasonable and customary so long as they are not excessive in amount when compared to other similar transactions.</p> <table border="0" style="width: 100%;"> <tr> <td style="vertical-align: top;"> <p>Loan Approval</p> <ul style="list-style-type: none"> • Fees to obtain credit Approval • Appraisal fees • Flood Certification* • Homebuyer Education fee </td> <td style="vertical-align: top;"> <p>Prepays & Escrow</p> <ul style="list-style-type: none"> • Homeowners Insurance & Flood Insurance • Guaranty Fees for government insured mortgages (FHA, VA, RD) • Private Mortgage Insurance • Property Taxes </td> </tr> <tr> <td style="vertical-align: top;"> <p>Title & Recording</p> <ul style="list-style-type: none"> • Iowa title guaranty • Abstracting • Title Search • Recordation fees • Title Attorney fees • Closing fees </td> <td style="vertical-align: top;"> <p>Other</p> <ul style="list-style-type: none"> • Real Estate Broker/Agent fees • Courier fees • All home inspections • Home warranty fee • Survey fee • Association dues </td> </tr> </table>	<p>Loan Approval</p> <ul style="list-style-type: none"> • Fees to obtain credit Approval • Appraisal fees • Flood Certification* • Homebuyer Education fee 	<p>Prepays & Escrow</p> <ul style="list-style-type: none"> • Homeowners Insurance & Flood Insurance • Guaranty Fees for government insured mortgages (FHA, VA, RD) • Private Mortgage Insurance • Property Taxes 	<p>Title & Recording</p> <ul style="list-style-type: none"> • Iowa title guaranty • Abstracting • Title Search • Recordation fees • Title Attorney fees • Closing fees 	<p>Other</p> <ul style="list-style-type: none"> • Real Estate Broker/Agent fees • Courier fees • All home inspections • Home warranty fee • Survey fee • Association dues
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Tax Service Fee	<p>\$85 – Payable to Idaho Housing & Finance Association (Master Servicer)</p>				
Flood Determination Provider (Lereta)	<p>*All loans closed using a flood determination company other than Lereta will incur a \$10 flood transfer fee. Loans submitted to Idaho Housing that use Lereta for the flood determination will not incur the fee.</p>				