PREPAYMENT PENALTY (PPP) MATRIX
FOR 1ST LIEN BUSINESS PURPOSE LOANS ONLY

PPP REQUIREMENTS

- PPP Required on NOO with > 80% LTV

PPP OPTIONS

- 6 Months Interest on 80% of the Original Principal Balance
- 5% Fixed PPP Option = 5% Penalty on Current Balance for the Duration of the PPP Term

STANDARD PREPAYMENT PENALTIES ALLOWED			
Alabama (AL)	Idaho (ID)	Montana (MT)	South Dakota (SD)
Arizona (AZ)	Indiana (IN)	Nebraska (NE)	Tennessee (TN)
Arkansas (AR)	Iowa (IA)	Nevada (NV)	Texas (TX)
California (CA)	Kansas (KS)	New Hampshire (NH)	Utah (UT)
Colorado (CO)	Kentucky (KY)	North Carolina (NC)	Vermont (VT)
Connecticut (CT)	Louisiana (LA)	North Dakota (ND)	Virginia (VA)
District of Columbia (DC)	Maine (ME)	Oklahoma (OK)	Washington (WA)
Florida (FL)	Massachusetts (MA)	Oregon (OR)	West Virginia (WV)
Georgia (GA)	Mississippi (MS)	Rhode Island (RI)	Wisconsin (WI)
Hawaii (HI)	Missouri (MO)	South Carolina (SC)	Wyoming (WY)
NO PREPAYMENT PENALTIES ALLOWED			
Alaska (AK) - Express prohibition on PP provisions for business purpose loans or maximum PP charge is so low there's no market for them			Delaware (DE)
			New Mexico (NM)

STATES WITH 'RESTRICTED' PREPAYMENT PENALTIES			
State	**PPP allowed when:**	**PPP Structure**	**No PPP allowed when:**
Illinois (IL) (Cook County)	All of IL, If closed in the name of an individual and results in an APR <8%, or is Business Purpose Loan closed in a Corp or LLC; If Cook County, loan must also be > $250,000	Normal Rates	If closed in the name of an individual and is >8% APR; if in Cook County and the loan is < $250,000
Maryland (MD)	Maximum of 3 years PPP	2 months advance interest on the aggregate amount of all prepayments made in a 12-month period that exceed 1/3 of the loan amount	Never
Michigan (MI)	Maximum of 3 years PPP	1% of balance prepaid	Never
Minnesota (MN)	Application date ≥ 08/01/2026, permitted only if the loan qualifies: DSCR, no borrower, guarantor, or co-signer occupancy, and seller does not continue to occupy the property after closing. 1st lien only.	Normal Rates	Never
New Jersey (NJ)	Closed in the name of a Corp (Inc.); does not include LLC	Normal Rates	Closed in name of individual or LLC
Ohio (OH)	≥ $116,356 (as of 01/01/26; adjusts annually); Max 5 years	1% of original principal amount	Loan is < $116,356
Pennsylvania (PA)	> $329,411 for 1-2 Unit (as of 01/01/26; adjusts annually), or any 3-4 or 5-8 Unit property	Normal Rates	Loan is ≤ $329,411 and for 1-2 Unit property