

**Common Prepaid Finance Charges (PFCs)
and Qualified Mortgage (QM) Points and Fees**

HUD-1 Line Item No.	Fee Description	PFC	QM	Comments -- Qualified Mortgage Rule
800 Series	Items Payable in Connection with Loan			
801	Origination Charge	Yes	Yes	Borrower-paid compensation; Lender-paid compensation is not a PFC but it is a QM fee
801	Staff Processing Fee	Yes	Yes	
801	Third-party Processing Fee	Yes	No	All states except FL: If third-party processor is not an affiliate of Originator or Creditor
801	Third-party Processing Fee - FL	Yes	Yes	
801	Lender Fees	Yes	Yes	
802	Discount Points	Yes	Yes	Up to one or two <i>bona fide</i> discount points may be eligible for exclusion under QM Rule -- see PRMG QM Points & Fees Summary and §32(b)(1)(i)(E) & (F)
803	Appraisal Fee	No	No	If fee is paid to a third party who is not an affiliate of Originator or Creditor
808	Appraisal Review Fee	No	No	If fee is paid to a third party who is not an affiliate of Originator or Creditor
808	AMC Fee	Yes	No	If fee is paid to a third party who is not an affiliate of Originator or Creditor
804	Credit Report Fee	No	No	If fee is paid to a third party who is not an affiliate of Originator or Creditor
	Tax Service Fee	Yes	No	If fee is paid to a third party who is not an affiliate of Originator or Creditor
	Flood Cert Fee	Yes	No	If fee is paid to a third party who is not an affiliate of Originator or Creditor
	Doc Prep Fee	Yes	Yes	PRMG Doc Fee is a PFC and a QM fee
	MCC Fee to Lender	Yes	Yes	
	MCC Fee to Agency	Yes	No	
900 Series	Items Required by Lender to be Paid in Advance			
901	<i>Per Diem</i> Interest	Yes	No	
903	Hazard Insurance Premiums	No	No	
902	FHA UFMIP	Yes	No	
902	Conv UFPMI	Yes	Yes	UFPMI that is automatically refundable and does not exceed FHA UFMIP may be excludable - see PRMG QM Points & Fees Summary and §32(b)(1)(i)(C)
	VA Funding Fee	Yes	No	
	USDA Guarantee Fee	Yes	No	
	Flood Insurance Premiums	No	No	

See also PRMG QM Points Fees Summary.

This is a representative list of PFCs and QM Fees. It is not all-inclusive or intended as legal advice.

Refer to TILA Regulation Z §1026.4(a) (b) and §1026.32(b)(1) for official guidance.

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1000 Series	Reserves Deposited with Lender			
1002	Homeowner's Insurance	No	No	
1003	Mortgage Insurance	Yes	No	Annual MIP is excluded from QM points and fees
1004	Property Taxes	No	No	
	Flood Insurance	No	No	
1100 Series	Title Charges			
1101	Lender's Title Insurance	No	No	If fee is paid to Title Company that is not affiliated with Creditor
1102	Escrow/Settlement/Closing Fee	Yes	No	If fee is paid to a third party who is not an affiliate of Originator or Creditor
1103	Owner's Title Insurance	No	No	If fee is paid to Title Company that is not affiliated with Creditor
	Loan Tie-in Fee	Yes	No	If fee is paid to Title Company that is not affiliated with Creditor
	Sub-escrow Fee	Yes	No	If fee is paid to Title Company that is not affiliated with Creditor
	Courier Fee	Yes	No	If fee is paid to Title Company that is not affiliated with Creditor
	Wire Fee	Yes	No	If fee is paid to Title Company that is not affiliated with Creditor
	Notary Fee	No	No	If fee is paid to a third party who is not an affiliate of Originator or Creditor
	Signing Fee	Yes	No	If fee is paid to a third party who is not an affiliate of Originator or Creditor
	Attorney Fees for reviewing/ preparing mortgage instruments	Yes	No	If fee is paid to a third party who is not an affiliate of Originator or Creditor
1200 Series	Government Recording Fees and Transfer Charges			
1201	Government Recording Fees	No	No	Document recording fees paid to government unit (through Title)
1203	Transfer Tax	No	No	
	eRecording Fee to Title	No	Yes	Title fee for handling electronic recording of documents
1300 Series	Additional Settlement Charges			
1302	Pest Inspection	No	No	
1302	Home Warranty	No	No	
1302	HOA Cert	Yes	No	
1302	HOA Dues	No	No	

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