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# District of Columbia

## STATE HIGH COST/PREDATORY LENDING REGULATIONS

Last Updated: 02/22/18 By: RC  
Coded: 02/26/2018 By: ZB  
Reviewed: \_\_\_\_\_ By: \_\_\_\_\_

**LAW:** Home Loan Protection Act of 2002 (Division V, Title 26, Chapter 11A)

**NOTE:** A loan made or purchased by the Federal National Mortgage Association, Federal Home Loan Corporation, or a bank, trust company, savings and loan association, or savings bank that is regulated and supervised by a supervising federal agency a “covered loan” is defined the same as in 1026.32. (§ 26–1151.01(7)(B))

**LOAN AMOUNT COVERED:** Up to FNMA conforming limit

**BORROWERS COVERED:**

- |   |                                 |
|---|---------------------------------|
| <input checked="" type="checkbox"/> Individuals | <input type="checkbox"/> Trusts |
| <input type="checkbox"/> Organizations          | <input type="checkbox"/> Other: |

**TOTAL LOAN AMOUNT (TLA) IS DEFINED AS:** US § 1026.32

- |  |                                      |
|--|--------------------------------------|
| <input type="checkbox"/> Loan Amount as defined in HOEPA 226.32            | <input type="checkbox"/> Note Amount |
| <input checked="" type="checkbox"/> Loan Amount as defined in HCML 1026.32 | <input type="checkbox"/> Other:      |

**LOAN TYPES COVERED:**

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> Conventional | <input type="checkbox"/> FHA            |
| <input type="checkbox"/> VA                      | <input checked="" type="checkbox"/> RHS |
| <input type="checkbox"/> Other:                  |   |

**LOAN PURPOSES COVERED:**

- |   |   |
|---|---|
| <input type="checkbox"/> Purchase                   | <input type="checkbox"/> Construction to Perm                   |
| <input type="checkbox"/> Builder                    | <input checked="" type="checkbox"/> Refinance                   |
| <input checked="" type="checkbox"/> Equity Out      | <input checked="" type="checkbox"/> Home Equity Closed End      |
| <input type="checkbox"/> One Time Closing           | <input type="checkbox"/> Modification                           |
| <input type="checkbox"/> Purchase Plus Improvements | <input checked="" type="checkbox"/> Refinance Plus Improvements |
| <input type="checkbox"/> Lot Loan                   | <input checked="" type="checkbox"/> Home Improvement            |
| <input type="checkbox"/> Borrower Interim           | <input type="checkbox"/> One Time Closing with Modification     |
| <input checked="" type="checkbox"/> HELOC           | <input type="checkbox"/> Assumption                             |

**BRIDGE LOANS COVERED**

- |   |                             |
|---|-----------------------------|
| <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
|---|-----------------------------|

**PROPERTY OCCUPANCY COVERED:**

- |   |                                      |
|---|--------------------------------------|
| <input checked="" type="checkbox"/> Primary Residence | <input type="checkbox"/> Second Home |
| <input type="checkbox"/> Investment                   | <input type="checkbox"/> Raw Land    |

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**APR THRESHOLDS:** <http://law.justia.com/codes/district-of-columbia/2012/division-v/title-26/chapter-11a/subchapter-i/section-26-1151-01.html>

APR                       Unteased APR                       Other:

First Lien: 6 %

Subordinate Lien: 7 %

**APR COMPARED AGAINST:** Division V, Title 26, Chapter 11A

APOR     APR Itself  
 Treasury Yield                                       Other:

**DATE FOR APR TEST:** Division V, Title 26, Chapter 11A

Application     Closing  
 Other: 15<sup>th</sup> day of the month immediately preceding the month in which the application for the loan is received by the creditor

**FEE TEST METHOD:** Division V, Title 26, Chapter 11A

Use HC Flag  
 Use APR & Paid To (§1026.32)  
 Other: include all fees payable by the borrower at or before loan closing

**FEE TEST THRESHOLDS:** Division V, Title 26, Chapter 11A

All Liens: > 5% of TLA

**ADJUSTMENTS:**

No                       Yes                      | How:

**FEES INCLUDED IN TEST:** Division V, Title 26, Chapter 11A

"Bona fide loan discount points" means loan discount points which are knowingly paid by the borrower for the express purpose of reducing, and which reduce, the annual percentage rate.. This does not exempt bona fide discount points from the calculations in the APR and fee tests.

"Origination/discount points and fees" means points and fees as defined in 12 C.F.R. §226.32(b).

All fees payable by the borrower at or before loan closing

**OTHER ITEMS TO BE TESTED/CONSIDERED:**

**SPECIAL NOTES:** Division V, Title 26, Chapter 11A

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*Prohibited Practices (Section 26-1152.01 to Section 26-1152.23)*

- [Section 26-1152.01](#) — Applicability
- [Section 26-1152.02](#) — Insufficient repayment ability
- [Section 26-1152.03](#) — Restrictions on the financing of single-premium credit insurance
- [Section 26-1152.04](#) — Restriction on financing origination/discount points and fees
- [Section 26-1152.05](#) — No encouragement of default
- [Section 26-1152.06](#) — Unfair steering or improper use of credit scores
- [Section 26-1152.07](#) — Failing to report favorable payment record
- [Section 26-1152.08](#) — Home improvement contracts
- [Section 26-1152.09](#) — No increase in interest rate upon default
- [Section 26-1152.10](#) — Charges in bad faith
- [Section 26-1152.11](#) — Failure to timely send disclosure notice
- [Section 26-1152.12](#) — Prepayment premium, fee or charge
- [Section 26-1152.13](#) — Limitations on balloon payments
- [Section 26-1152.14](#) — No call provision
- [Section 26-1152.15](#) — No negative amortization
- [Section 26-1152.16](#) — No advance payments
- [Section 26-1152.17](#) — No advance waivers
- [Section 26-1152.18](#) — No oppressive mandatory arbitration clause
- [Section 26-1152.19](#) — Homeownership counseling
- [Section 26-1152.20](#) — Broker licensor
- [Section 26-1152.21](#) — Filing requirements
- [Section 26-1152.22](#) — Suspect settlement service providers
- [Section 26-1152.23](#) — Median family income