

FHA Single Family

4000.1: FHA Single Family Housing Policy Handbook

4000.1: FHA Single Family Housing Policy Handbook

II. ORIGINATION THROUGH POST-CLOSING/ENDORSEMENT

A. TITLE II INSURED HOUSING PROGRAMS FORWARD MORTGAGES (09/14/15)

6. Closing (09/14/15)

a. Mortgagee Closing Requirements (09/14/15)

x. Closing Costs and Fees

The Mortgagee must ensure that all fees charged to the Borrower comply with all applicable federal, state and local laws and disclosure requirements.

The Mortgagee is not permitted to use closing costs to help the Borrower meet the Minimum Required Investment (MRI).

(A) Collecting Customary and Reasonable Fees The Mortgagee may charge the Borrower reasonable and customary fees that do not exceed the actual cost of the service provided. The Mortgagee must ensure that the aggregate charges do not violate FHA's Tiered Pricing rules.

(B) Other Fees and Charges The Mortgagee or sponsored TPO may charge the Borrower discount points, and lock-in and rate lock fees consistent with FHA and CFPB requirements.

(1) Origination Fees The Mortgagee may charge an origination fee in accordance with RESPA.

(2) Discount Points The Mortgagee may charge the Borrower discount points.

(3) Lock-in and Rate Lock Fees The Mortgagee may charge the Borrower lock-in and rate lock fees only if the Mortgagee provides a lock-in or commitment agreement guaranteeing the interest rate and/or discount points for a period of not less than 15 Days prior to the anticipated closing.

(C) Qualified Mortgage The Mortgagee must ensure the points and fees charged are in compliance with FHA's [Qualified Mortgage Rule](#).

(D) Tiered Pricing The Mortgagee must ensure that the aggregate fees and charges do not violate the following Tiered Pricing rule.

(1) Definitions for Tiered Pricing Area refers to a metropolitan statistical area as established by the Office of Management and Budget. Mortgage Charge refers to the interest rate, discount points, origination fee, and any other amount charged to the Borrower for an insured Mortgage. Mortgage Charge Rate refers to the total amount of Mortgage Charges for a Mortgage expressed as a percentage of the initial principal of the Mortgage. Tiered Pricing refers to any variance in Mortgage Charge Rates of more than two percentage points from the Mortgagee's reasonable and customary rate for insured Mortgages for dwellings located within the area.

(2) Required Documentation The Mortgagee must document that any variation in the Mortgage Charge Rate is based on actual variations in fees or costs to the Mortgagee to make the Mortgage.

(3) Standard The Mortgagee may not make a Mortgage with a Mortgage Charge Rate that varies more than two percentage points from the Mortgagee's reasonable and customary rate for insured Mortgages for dwellings located within the area. To determine whether a

Mortgage exceeds the two percentage point variation limit, the Mortgagee must compare Mortgage Charge Rates for Mortgages of the same type, from the same area, and made on the same day or during some other reasonably limited period. See Section 203(u) of the National Housing Act (12 U.S.C. § 1709(u)), [24 CFR § 200.12](#).