

Disclaimer: The material below is for general informational purposes only and not for the purpose of providing legal advice. Anyone reviewing the below material should contact his or her own attorney to obtain legal advice with respect to any particular transaction, issue, or problem. The material below is designed for use by state or federal financial institutions. State licensed lenders or brokers should consult alternate reference materials. Use or review of the below materials does not create an attorney-client relationship between PPDocs, Inc. and the user or reviewer.

Vermont

STATE HIGH COST/PREDATORY LENDING REGULATIONS

Last Updated:	Date:	Initials:
By:	<u>2/18/19 12/31/20</u>	RC
Reviewed:	<u>4/15/19</u>	RFL
Coded:		
By:	<u>12/31/202011/19/19</u>	SA
Reviewed:		

LAW: Vermont High Rate, High Point Law (the ACT) (Title 9: Chapter 4. 104 and Vermont Banking Division, REGULATION B-98-2: High Rate, High Point Notices for Residential Real Estate Loans)

<http://legislature.vermont.gov/statutes/chapter/09/004>

<https://dfr.vermont.gov/reg-bul-ord/high-rate-high-point-notices-residential-real-estate-loans>

LOAN AMOUNT COVERED: No limit

BORROWERS COVERED:

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

TOTAL LOAN AMOUNT (TLA) IS DEFINED AS: Title 9: Chapter 4. 104 and VT Banking Division, REGULATION B-98-2

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

LOAN TYPES COVERED: 1st Lien Only

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

LOAN PURPOSES COVERED:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Purchase | <input checked="" 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 checked="" type="checkbox"/> One Time Closing | <input checked="" type="checkbox"/> Modification (If subject to TILA) |
| <input checked="" type="checkbox"/> Purchase Plus Improvements | <input checked="" type="checkbox"/> Refinance Plus Improvements |
| <input type="checkbox"/> Lot Loan | <input checked="" type="checkbox"/> Home Improvement |
| <input checked="" type="checkbox"/> Borrower Interim | <input checked="" type="checkbox"/> One Time Closing with Modification |
| <input checked="" type="checkbox"/> HELOC | <input checked="" type="checkbox"/> Assumption |
| | <input checked="" type="checkbox"/> Reverse Mortgage |

BRIDGE LOANS COVERED

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

PROPERTY OCCUPANCY COVERED:

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

Disclaimer: The material below is for general informational purposes only and not for the purpose of providing legal advice. Anyone reviewing the below material should contact his or her own attorney to obtain legal advice with respect to any particular transaction, issue, or problem. The material below is designed for use by state or federal financial institutions. State licensed lenders or brokers should consult alternate reference materials. Use or review of the below materials does not create an attorney-client relationship between PPDocs, Inc. and the user or reviewer.

APR THRESHOLDS: <http://legislature.vermont.gov/statutes/chapter/09/004>

APR Unteased APR Other: Interest rate

APR COMPARED AGAINST: Title 9: Chapter 4. 104

APOR APR Itself
 Treasury Yield Other: Overpayment Annual Rate + 3%
Trigger rate per 32 VSA 3108 (~~2019 is 7.75%~~
~~2021 is 7.08.50%~~) <http://tax.vermont.gov/research-and-reports/interest-rates>

DATE FOR APR TEST:

Application Closing
 Other:

FEE TEST METHOD: Title 9: Chapter 4 § 42

Use HC Flag
 Use APR & Paid To (§1026.32)
 Use APR & Paid To, except:
 Other: Fees includes all fees in Section A of the Closing Disclosure

FEE TEST THRESHOLDS: Title 9: Chapter 4 § 42

1st liens: > 4%

ADJUSTMENTS:

No Yes | How: In accordance with 32 V.S.A. 3108 as published by the VT Commissioner of Taxes

IF LOAN IS STATE HIGH-COST, THEN MUST MEET FOLLOWING REQUIREMENTS:

- There is only the disclosure requirement.

All Lenders

The Vermont Anti-Predatory Lending Law, Vt. Stat. Ann. tit. 9, [§104](#), imposes disclosure requirements on lenders making "high rate loans."

Definitions

"High rate loan" means a loan secured by a first lien on residential real estate in which the borrower is expected to be charged:

- (1) in excess of 4 points; or
(2) an interest rate in excess of 3% over the "Declared Rate."

Vt. Stat. Ann. tit. 9, [§104\(a\)](#).

"Points" means all amounts required to be listed on the HUD-1A Disclosure form lines 801 and 802 (loan origination fee and loan discount), as in use on July 1, 1998. Vt. Code R. [21 010 011\(\\$3\)](#).

Disclaimer: The material below is for general informational purposes only and not for the purpose of providing legal advice. Anyone reviewing the below material should contact his or her own attorney to obtain legal advice with respect to any particular transaction, issue, or problem. The material below is designed for use by state or federal financial institutions. State licensed lenders or brokers should consult alternate reference materials. Use or review of the below materials does not create an attorney-client relationship between PPDocs, Inc. and the user or reviewer.

"Declared Rate" means the average prime rate charged by banks during the immediately preceding 12 months commencing on October 1st of the prior year, rounded upwards to the nearest whole percent. The annual rate thus established may be converted to a monthly rate which must be rounded upwards to the nearest tenth of a percent. The rate established will be effective on January 1st of the immediately following year. The Commissioner will notify mortgage lenders of the Declared Rate annually. Vt. Stat. Ann. tit. 9, [§104\(b\)](#); Vt. Stat. Ann. tit. 32, [§3108](#).

The Declared Rate for 201820 is 4.755.50%. See ~~Memorandum: 2019 Declared Rate~~. <https://tax.vermont.gov/sites/tax/files/documents/2020%20Interest%20Rate%20memo.pdf>

"Lender" means any person who is in the business of making loans secured by a mortgage on real estate and to whom the debt is initially payable on the face of the loan documents. Va. Stat Ann. tit. 9, [§201\(3\)](#).

Disclosures

For disclosure requirements with respect to high-cost/covered loans, see [Section VII.C.: Predatory Lending Disclosures](#).

Penalties

The Commissioner may impose an administrative penalty of not more than \$5,000 on any person that fails to comply with the high rate loan disclosure requirements. The Commissioner may order a lender to refund any discount points or other charges paid by a borrower who has not received the required disclosures. Vt. Stat. Ann. tit. 9, [§104\(c\)](#).