BROKERS FIRST FUNDING

Prepayment Penalty Matrix - Business Purpose Loans Only

Rev: 10/9/2026

State Name	Specific Rules	Calculation Method	PPP	FlexPoint Overlay	FlexPoint Licensing
Alabama	None	Standard	Yes	No	Yes
Alaska	**NA**	**NA**	**Prohibited**	**No**	**No**
Arizona	None	Standard	Yes	No	Yes
Arkansas	None	Standard	Yes	No	Yes
California	None	Standard	Yes	No	Yes
Colorado	None	Standard	Yes	No	Yes
Connecticut	None	Standard	Yes	No	Yes
District of Columbia	None	Standard	Yes	No	No
Delaware	**NA**	**NA**	**Prohibited**	**No**	**No**
Florida	None	Standard	Yes	No	Yes
Georgia	None	Standard	Yes	No	Yes
Hawaii	None	Standard	Yes	No	No
Idaho	None	Standard	Yes	No	Yes
Illinois	Natural Person - Permissible on loans with an interest rate equal to or less than 8%	Standard	Yes	Yes - Prohibited	Yes
Illinois	**Natural Person - Not permissible on loans with an interest rate greater than 8%.**	**Prohibited**	**Prohibited**	**No**	**Yes**
Illinois	Business Entity - Permissible.	Standard	Yes	No	Yes
Indiana	None	Standard	Yes	No	Yes
Iowa	None	Standard	Yes	No	Yes
Kansas	None	Standard	Yes	No	Yes
Kentucky	None	Standard	Yes	No	Yes
Louisiana	None	Standard	Yes	No	Yes
Maine	None	Standard	Yes	No	No
Maryland	If the loan contract provides for it, a prepayment charge or penalty is allowed if the loan is secured by a home, by a combination of home and business property, or by agricultural property, or if the loan is a commercial loan not in excess of $15,000.	Up to 3 Years, not to exceed 2 months' advance interest on the aggregate amount of all prepayments made in any 12–month period in excess of one–third of the amount of the original loan.	Yes	Yes - Prohibited	Yes
Massachusetts	None	Standard	Yes	No	No
Michigan	None	1% of amount prepaid, up to 3 years	Yes	Yes - Prohibited	Yes
Minnesota	Must meet statutory DSCR definition - The loan is exclusively for investment purposes. No borrower, guarantor, or co-signer intends to occupy or actually occupies the property; and the seller does not remain in the property after the sale date.	Standard	Yes	No	Yes
Mississippi	SFR or Condo - 5-year declining cap	Max 5%. Year 1=4%; Year 2 = 3%; Year 3 = 2%; Year 4= 1% and Year 5 = None	Yes	Yes - Prohibited	Yes
Mississippi	2-4 unit properties or 5+ unit properties	Standard	Yes	No	Yes
Missouri	None	Standard	Yes	No	No
Montana	None	Standard	Yes	No	No
Nebraska	None	Standard	Yes	No	Yes
Nevada	None	Standard	Yes	No	Yes
New Hampshire	**N/A**	**Standard**	**Prohibited**	**No**	**No**
New Jersey	Must close as a Corporation	Standard	Yes	No	Yes
New Jersey	**Closing in LLC or as individual**	**Prohibited**	**Prohibited**	**No**	**Yes**
New Mexico	**NA**	**NA**	**Prohibited**	**No**	**Yes**
New York	None	Standard	NA	No	No
North Carolina	Loan amount equal or less than $100,000	2% of the unpaid balance, up to 3 years	Yes	Yes - Prohibited	Yes
North Carolina	Loan amount greater than $100,000	Standard	Yes	No	Yes
North Dakota	None	Standard	Yes	No	Yes
Ohio	1-2 Unit properties with loan amount equal to or greater than $116,356 (for 2026, adjusted annually)	1% of the original principal balance, up to 5 years	Yes	Yes - Prohibited	Yes
Ohio	3-4 Unit properties or 5+ Unit properties	Standard	Yes	No	Yes
Oklahoma	None	Standard	Yes	No	Yes
Oregon	None	Standard	Yes	No	Yes
Pennsylvania	**1-2 Unit properties with loan amount Less or equal $329,411 (for 2026, adjusted annually)**	**Prohibited**	**Prohibited**	**No**	**Yes**
Pennsylvania	1-2 Unit properties with loan amount **greater** than $329,411 (for 2026, adjusted annually)	Standard	Yes	No	Yes
Pennsylvania	3-4 Unit properties or 5+ Unit properties	Standard	Yes	No	Yes
Rhode Island	Purchase and Refinance 1 Year PPP	2% of the unpaid principal balance, 1 year term only	Yes	Yes - Prohibited	No
Rhode Island	Refinance 2 to 5 Year PPP	Standard	Yes	Yes - Prohibited	No
South Carolina	None	Standard	Yes	No	Yes
South Dakota	None	Standard	Yes	No	Yes
Tennessee	Interest Rate does **not** exceed the maximum "formula rate (Prime + 4%)	Standard	Yes	Yes - Prohibited	Yes
Tennessee	Interest Rate **exceeds** the maximum "formula rate (Prime + 4%)"	Prohibited	**Prohibited**	**No**	Yes
Texas	None	Standard	Yes	No	Yes
Utah	None	Standard	Yes	No	Yes
Vermont	None	Standard	Yes	No	No
Virginia	Loan amount **less** than $75,000	1% of the unpaid principal balance, up to 5 years	Yes	Yes - Prohibited	Yes
Virginia	Loan Amount **equal to or greater** that $75,000	Standard	Yes	No	Yes
Washington	None	Standard	Yes	No	Yes
West Virginia	None	Standard	Yes	No	Yes
Wisconsin	None	Standard	Yes	No	Yes
Wyoming	None	Standard	Yes	No	Yes

Defined Term	Prepayment Structure
Standard PPP: Means a prepayment charge on the amount prepaid (in full or partial partial payments) in any 12-month period in excess of 20% of the original principal balance; the prepayment charge shall not exceed six (6) months' interest on the amount prepaid; prepayment term up to 5 years as permissible under applicable laws and as noted below.	**Standard Structure - Six (6) months of interest:** The prepayment charge will be equal to six (6) months of interest on the amount of the prepayment that exceeds 20% of the original principal balance in a given 12-month time period. **A Fixed Percentage:** The prepayment charge will be equal to a fixed percentage and applied to any curtailmnet or the entire outstanding principal balance during the prepay period.

Notice *: Provided for informational convenience only. FlexPoint Inc. disclaims all warranties regarding accuracy or completeness. This is not legal or compliance advice. For mortgage professional use only and is not for distribution to consumers.*