



**\*\*\*DISCLAIMER\*\*\***  
**Intended for 1st lien mortgages only**  
 For further compliance guidance,  
please contact the Compliance Help Desk at:  
[compliancehelp@ocmbc.com](mailto:compliancehelp@ocmbc.com)

**Standard Prepayment Penalties Allowed**

Arizona	Missouri
Alabama	Montana
Arkansas	Nebraska
California	Nevada
Colorado	North Carolina
Connecticut	North Dakota
District of Columbia	Oklahoma
Florida	Oregon
Georgia	South Carolina
Hawaii	South Dakota
Idaho	Tennessee
Indiana	Texas
Iowa	Utah
Kansas	Virginia
Kentucky	Washington
Louisiana	West Virginia
Maine	Wisconsin
Massachusetts	Wyoming
Mississippi	

**No Prepayment Penalties Allowed**

Alaska - Express prohibition on PP provisions for business purpose loans or maximum PP charge is so low there's no market for them	New Hampshire
Delaware	New Mexico
Minnesota	

**States with "Restricted" Prepayment Penalties**

States	PPP Allowed When:	PPP Structures	No PPP Allowed When:
*Illinois / Cook County	All of IL: If closed in the name of an individual and rate < 8% APR, or is a Business Purpose Loan & closed in a Corporation, or LLC. **if in Cook County must also be >\$250k	Normal Rates	If closed in the name of an individual and Rate is = > 8% APR, **if in Cook County < \$250K
Maryland	Maximum of 3 years	2 months advance interest on the aggregate amount of all prepayments made in a 12-month period which exceed 1/3 of the amount of the loan	Never
Michigan	Maximum of 3 years	1% of balance prepaid	Never
New Jersey	Closed in name of Corp (Inc.) *does NOT include LLC	Normal Rates	Closed in name of individual or LLC
Ohio	> = \$112,957; 5 year max	1% of original principal amount	< \$112,957
Pennsylvania	>\$312,159 and 1-2 Unit, or any 3-4 Unit	Normal Rates	<=\$312,159 and 1-2 Unit
Rhode Island	Maximum of 1 year	2% of balance prepaid	Never