



*****DISCLAIMER*****
Intended for 1st lien mortgages only
 For further compliance guidance,
please contact the Compliance Help Desk at:
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	Vermont
Kentucky	Virginia
Louisiana	Washington
Maine	West Virginia
Massachusetts	Wisconsin
Mississippi	Wyoming

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, including 5-8 Units	Normal Rates	<=\$312,159 and 1-2 Unit
Rhode Island	Maximum of 1 year	2% of balance prepaid	Never

Version #	Change Date	Change Description
15.1	11.2024	updated OH from 1% of balance prepaid to 1% of principal amount
15.2	2.2025	updated OH threshold from \$110,223 to \$112,957 (this is adjusted annually)
15.2	2.2025	updated RI to 2% balance prepaid from 1%
15.2	2.2025	updated IL to Normal Rate for PPP Structure (3-2-1 does not apply to business purpose loans)
16	7.2025	updated Vermont - standard PPP
16.1	8.2025	updated PA PPP to reflect 5-8 units - Craig Kerbrate request Halo ticket #36404

<https://codes.findlaw.com/ri/title-34-property/ri-gen-laws-sect-34-23-5/>