

April 7, 2009

H 1184. MORTGAGE/CLARIFY TREATMENT OF US GOV'T FEES. Filed 4/7/09. *TO CLARIFY THAT DELIVERY FEES CHARGED BY UNITED STATES GOVERNMENT AGENCIES TO BORROWERS DO NOT COUNT AS POINTS OR FEES IN HOME LOANS, BUT RISK-BASED FEES CHARGE BY UNITED STATES GOVERNMENT AGENCIES DO COUNT AS DISCOUNT POINTS.*

Amends GS 24-1.1A (Contract rates on home loans secured by first mortgages or first deeds of trust) to define *discount points* as including any fees paid by or on behalf of a borrower to the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association, the Veterans Administration, the US Department of Agriculture, or any federal agency as loan level price adjustments, adverse market delivery charges, or any other charges levied by the agency to compensate for increased risks and costs based on credit score, loan size, or housing type. Makes a conforming change to the definition of *thresholds* in GS 24-1.1E(6)b.

Further amends GS 24-1.1E (restrictions and limitations on high-cost home loans) to exclude from the definition of *points and fees* fees paid by certain parties to a federal government agency in connection with a home loan if (1) the home loan has an initial principal balance less than \$150,000; (2) the home loan is made, insured, or guaranteed by the government agency; and (3) the fee is for making, insuring, or guaranteeing the loan. Defines *agency of the US Government*. Also makes technical changes.

Effective October 1, 2009.

Intro. by Braxton.

GS 24