

Settlement & Financing Costs

Regulatory Requirements	Borrower fees allowed in IFA Homeownership programs follow Section Title 26 of the Internal Revenue Code for Mortgage Revenue Bond financing. Title 26 allows lenders to charge settlement or financing costs that do not exceed “usual and reasonable” costs which would be paid for by the buyer where financing is not provided through a Mortgage Revenue Bond program. IFA is responsible for determining fees considered “usual and reasonable” within its programs.
Lender Compensation	Lender compensation refers to fees lenders retain to cover their costs of originating the loan and delivering it into an IFA program. Only the compensation listed below is allowed by IFA. Said fee may be made up of origination, processing, underwriting, or commitment fees though limited to 1% in total. Discount points may not be charged by the lender.
Servicing Release Premium	Based on timing of delivery. See Exhibit A of the Mortgage Origination Agreement.
Other Transaction Costs	Other transaction costs include items charged by a third party as part of originating the loan. IFA considers the following types of fees to be usual and reasonable so long as they are not excessive in amount when compared to other similar transactions.
Loan Approval	<ul style="list-style-type: none"> • Fees to obtain credit approval • Appraisal fees • Flood Certification • Homebuyer Education fee
Title & Recording	<ul style="list-style-type: none"> • Iowa Title Guaranty • Abstracting • Title Search • Recordation Fees • Title Attorney Fees • Lender Closing <u>OR</u> Third-Party Settlement Fee, limited to \$500
Prepays & Escrow	<ul style="list-style-type: none"> • Homeowners Insurance & Flood Insurance • Guaranty Fees for government insured mortgages (FHA, VA, RD) • Private Mortgage Insurance • Property Taxes
Other	<ul style="list-style-type: none"> • Real Estate Broker/Agent Fees • Courier Fees • All Home Inspections • Home Warranty fee • Survey Fee • Association dues
Tax Service Fee	\$85 – Payable to Idaho Housing & Finance Association [Master Servicer]
Questions	Contact your Homeownership Program Specialist for review.