

STATE HIGH COST/PREDATORY LENDING REGULATIONS

State: Arkansas

Law: Arkansas Home Loan Protection Act

Cite: Public Act 1340 of 2003

Public Link: <http://www.arkleg.state.ar.us/ftproot/acts/2003/public/act1340.pdf>

Loans Covered Conventional FHA VA

Loan Amount Covered: Total loan amount of \$150,000 (as computed under Reg Z/TIL)

Loan Purposes Covered

<input checked="" type="checkbox"/> Purchase(2 nd lien only)	<input checked="" type="checkbox"/> Construction/Perm (refinance of construction loan)	
<input type="checkbox"/> Construction	<input checked="" type="checkbox"/> Refinance	<input checked="" type="checkbox"/> Home Equity/closed end
<input checked="" type="checkbox"/> HELOC	<input type="checkbox"/> Bridge Loan (purchase)	<input type="checkbox"/> Bridge Loan (refinance)
<input checked="" type="checkbox"/> Purchase Plus(2 nd lien only)	<input checked="" type="checkbox"/> Refinance Plus	<input checked="" type="checkbox"/> Home Improvement
<input type="checkbox"/> One time with modification	<input type="checkbox"/> Reverse	<input type="checkbox"/> One-time Closing

Property Covered: Primary Residence.

Exempts loans to be sold or insured by FHA, VA, FHLMC, FNMA within 60 days of closing.

Borrowers Covered: Natural persons & trusts

Total Loan Amount (TLA) is: SAME AS HOEPA/SECTION 32

NOTE AMOUNT

APR Test: 1st Lien >8%

Subordinate Lien >10%

Fee Test: >5% for loans equal to \$75,000 up to and including \$150,000 (TLA)
>6% for loans greater than \$20,000 but less than \$75,000
>8% for loans \$20,000 or less

Fees included or excluded: (See link to law for more information)

Bona fide discount points means loan discount points knowingly paid by borrower for purpose of reducing and which does reduce the interest rate

Up to 2 bona fide discount points payable by the borrower may be excluded but only if the interest rate from which the loan's interest rate will be discounted does not exceed by more than 1% the required net yield for a 90 day mandatory delivery commitment for a reasonably comparable loan from either FNMA or FHLMC (whichever is greater).

Up to 1 discount point is excluded if the interest rate from which the loan's interest rate will be discounted does not exceed by more than 2 percentage points the required net yield for a 90 day standard mandatory delivery commitment for a reasonably comparable loan from either FNMA or FHLMC (whichever is greater)

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All fees paid, points, compensation paid directly or indirectly by a borrower to a mortgage broker must be included in the calculation

Fees Excluded

(E) "Points and fees" shall not include:

- (i) Taxes, filing fees, recording and other charges and fees paid or to be paid to public officials for determining the existence of or for perfecting, releasing, or satisfying a security interest;
and
- (ii) Fees paid to a person other than a lender or an affiliate of the lender or to the mortgage broker or an affiliate of the mortgage broker for the following:
 - (a) Fees for tax payment services;
 - (b) Fees for flood certification;
 - (c) Fees for pest infestation and flood determinations;
 - (d) Appraisal fees;
 - (e) Fees for inspections performed before closing;
 - (f) Credit reports;
 - (g) Surveys;
 - (h) Attorney's fees, if the borrower has the right to select the attorney from an approved list or otherwise;
 - (i) Notary fees;
 - (j) Escrow charges, so long as not otherwise included under subsection (a) of this subsection;
 - (k) Title insurance premiums; and
 - (l) Fire insurance and flood insurance premiums, if the conditions in section 226.4(d) (2) of Title 12 of the Code of Federal Regulations, as they existed on March 1, 2003, are met;

Special Notes: None

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