Acra Lending
CORRESPONDENT

Announcement 2022 – 06

Prepayment Penalty (“PPP”)

A Prepayment Penalty (“PPP”) is a fee charged to certain borrowers who prepay their mortgage earlier than scheduled. Acra utilizes a hard sequential stepdown PPP based on the loan balance at the time of prepayment. Acra’s PPP rate matrix is waterfall structure as follows:

5-year Prepay (5x5) – 5%/5%/5%/5%/5% Prepayment Penalty

5-Year Prepay (Step) – 5%/4%/3%/2%/1% Sequential Stepdown Prepayment Penalty

3-Year Prepay - 3%/3%/3% Prepayment Penalty

2 – Year Prepay - 3%/3% Prepayment Penalty

1 – Year Prepay – 3%Prepayment Penalty

Prepayment Penalties on loans purchased by Acra not following the above waterfall structure and alternatively apply a 80% of 6-Months interest structure will have a LLPA of +0.125 to Rate or -0.250 to Price.

Please distribute this information to the appropriate individuals within your organization.

All changes are effective new loan submissions 03/15/2022.

If you have any questions, please contact your Business Development Officer (BDO).

We thank you for your business.