

## Principal Curtailments

When a principal curtailment is permitted, all excess amounts must be clearly reflected on the Closing Disclosure as a principal reduction.

Product	Max Cash to Borrower <sup>1</sup>	Maximum Principal Curtailment (due to changes in payoff figures, closing costs, etc)	Maximum Premium Pricing Curtailment
<b>Conventional</b>			
<b>FHLMC</b>			
Purchase	\$0		
Limited Cash Out Refi	Greater of 1% or \$2,000		
<b>FNMA</b>			
Purchase	\$0	Lesser of 2% or \$2,500	
High LTV Refinance	\$250		
Limited Cash Out Refi	Lesser of 2% or \$2,000		
HomeStyle Renovation	\$0	Prohibited <sup>3</sup>	
<b>Government</b>			
<b>USDA</b>			
Purchase	\$0	Prohibited	
Rate/Term Refi	\$0 <sup>2</sup>		
<b>FHA</b>			
Purchase	\$0	n/a	\$2,500
Streamline Refi			
Rate/Term Refi (including 203(k))	\$500 <sup>2</sup>	Prohibited	
<b>VA</b>			
Purchase	\$0	n/a	
IRRRL	\$500 <sup>2</sup>	Prohibited	

<sup>1</sup> Closing costs paid out of the borrower's own funds may be reimbursed at closing, and are not considered cash out.

<sup>2</sup> Loan amounts must be properly calculated for the specified loan programs. If the cash to borrower is outside of the guidelines, the loan amount must be corrected.

<sup>3</sup> Any excess funds, up to \$500, will be placed in the Contingency Reserve, and will be applied as a principal reduction upon completion of the project