

New Age Mortgage Company

Anti-Predatory Lending Policy

New Age Mortgage Company supports the expansion of home ownership opportunities. To discourage predatory lending practices New Age Mortgage Company has established the following anti-predatory lending policy with respect to residential mortgage loans.

New Age Mortgage Company requires that all mortgage loans comply with applicable federal, state, and local anti-predatory lending laws and other similar credit related consumer protection laws, regulations and orders designed to prevent or regulate abusive and deceptive lending practices and loan terms (“Anti-Predatory Lending Laws”). These laws prohibit or limit certain practices and characteristics of mortgage loans.

New Age Mortgage Company will treat any mortgage loans with the following characteristics as not meeting the company’s anti-predatory lending policy:

- **Loans with Excessive Points and Fees** – Loans with total points and fees exceeding the thresholds of the Home Ownership and Equity Protection Act of 1994 and its implementing regulation (Federal Reserve Board Regulation Z) as well as any loan exceeding federal, state and local point and fee limitations.
- **High Cost Loans** – Loans with an interest rate 8% greater than the Treasury of comparable maturity (as measured on the 15th business day of the month prior to receipt of the loan application) or any loan that fails the state high cost test (this will depend on the state the property is located in)
* New Age Mortgage Company does not lend on High Cost loans
- **Flipping** – High cost loans with a history of repetitive refinances (more than 2 in 24 months), unless borrower benefit is demonstrated. Borrower benefit will be presumed where the borrower receives cash, a lower interest rate or a lower monthly payment as a result of the refinance.
- **Prepayment Penalties without Borrower Benefit** – If a loan has a prepayment penalty feature, it should be offset by a rate or fee reduction, be fully disclosed, and not be charged when the mortgage debt is accelerated as a result of the borrower’s default.
- **Borrowers Ability to Repay** – Originators should reasonably ensure a borrowers ability to make mortgage payments, especially for products that have unique or complex features, such as negative amortization, adjustable rate mortgages or balloon payments.
- **Single Premium Credit Life Insurance Policies for “High Cost” Borrowers without alternative payment options** – Originators should offer borrower the option of paying for such insurance. “Credit Life” insurance includes unemployment, disability and mortgage life insurance coverage usually sold as part of the mortgage loan transaction and for which the borrower is charged a premium. *New Age Mortgage Company does not lend on High Cost loans.