



## IFA Policies Regarding Settlement & Financing Costs

Definitions	
<b>Regulatory Requirements</b>	Borrower fees allowed in IFA Single Family 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 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. Please contact IFA regarding any costs not listed below.
<b>Lender Compensation</b>	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. No other fees (such as discount points, processing, underwriting, or commitment fees) may be charged by the lender.
<b>Origination Fee</b>	Up to 1%
<b>Closing Agent/Settlement Fee</b>	Up to \$500
<b>Servicing Release Premium</b>	Based on size and type of loan as well as timing of delivery. See Exhibit A of the Mortgage Origination Agreement
<b>Other Transaction Costs</b>	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.
<b>Property Sale</b>	<ul style="list-style-type: none"> <li>• Real Estate Broker/Agent fees</li> <li>• Home Inspections, Radon Inspections, Termite Inspections</li> <li>• Survey Fees</li> </ul>
<b>Loan Approval</b>	<ul style="list-style-type: none"> <li>• Fees to obtain credit reports</li> <li>• Appraisal fees</li> <li>• Flood Certification</li> <li>• DU/DO or LP Fees Charged by Fannie Mae or Freddie Mac to Access Underwriting Systems</li> <li>• Homebuyer Education fees</li> </ul>
<b>Insurance &amp; Reserves</b>	<ul style="list-style-type: none"> <li>• Homeowners Insurance &amp; Flood Insurance</li> <li>• Guaranty Fees for Government Insured Mortgages (FHA, VA, RD)</li> <li>• Private Mortgage Insurance</li> <li>• Property Taxes</li> </ul>
<b>Title &amp; Recording</b>	<ul style="list-style-type: none"> <li>• Iowa Title Guaranty</li> <li>• Abstracting</li> <li>• Title Search</li> <li>• Recordation Fees</li> <li>• Title Attorney Fees</li> </ul>
<b>Tax Service Fee</b>	\$59 only if payable to IFA’s Master Servicer
<b>Other Fees</b>	Contact your Loan Production Specialist for review.