PREPAYMENT PENALTY (PPP) MATRIX

STANDARD PPP VERBIAGE

Max Pay Down: Twenty percent (20%)
PPP Penalty: Six (6) months interest at the then-applicable Interest Rate on the amount prepaid that exceeds [Max Pay Down] of the original principal balance of the Loan.

If, within the first [PPP Term in Months] month(s) beginning with the date Borrower executes the Note (the "Penalty Period"), the prepayment charge shall be equal to six (6) months interest at the then-applicable Interest Rate on the amount prepaid that exceeds twenty percent (20%) of the original principal balance of the Loan. The prepayment charge shall be assessed if the Loan is paid due to sale or refinance of the Property or any curtailments that exceed [Max Pay Down] of the original principal amount of the Loan in any given twelve (12)-month period.

STATE RESTRICTIONS

STATE	BUSINESS PURPOSE PPP RESTRICTION
Alaska	Not allowed
District of Columbia	Not allowed after 3 years. Charge cannot exceed 2 months advance interest on aggregate payments in a 12-month period exceeding 1/3.
Illinois	Not allowed if interest rate exceeds 8%.
Kansas	Allowed
Maryland	Allowed if loan amount > $75,000.
Michigan	Not allowed after 3 years.
Minnesota	Allowed starting 8/1/2026.
Mississippi	Five percent (5%) of the unpaid principal balance if prepaid during the first year.
New Jersey	Not allowed unless borrower is an entity (LLC, corporation, or partnership).
New Mexico	Not allowed.
Ohio	Not allowed if loan amount < $116,356. Limited to 1% of payoff balance.
Oklahoma	Maximum 2 years / 3% of prepayment exceeding 20%.
Pennsylvania	Not allowed if loan amount < $329,411.
Rhode Island	Purchase only; 12-month maximum; PPP limited to 2% of payoff balance.
Vermont	Allowed on business purpose loans.
Virginia	Not allowed if loan amount < $75,000; otherwise limited to 1%.
Washington	ARM loans only - PPP must expire at least 60 days before the first rate reset.
Max Pay Down	Maximum principal paydown permitted before the PPP applies
PPP Term in Months	PPP term selected at time of lock
PPP Penalty	Applicable prepayment penalty calculation

PPP RIDER LOGIC BY STATE

DISTRICT OF COLUMBIA (DC)

PPP Term in Months	PPP term (in months) selected at time of lock
Max Pay Down	1/3
PPP Penalty	2-months advance interest on the aggregate of all payments made within a 12-month period that exceed 1/3 of the amount of the original loan amount

Sample

If, within the first [PPP Term in Months] month(s) beginning with the date Borrower executes the Note (the "Penalty Period"), Borrower makes a full prepayment, or partial prepayment in any twelve (12)-month period that exceeds 1/3 of the original principal loan amount, Borrower will pay a prepayment charge as consideration for the Note Holder's acceptance of such prepayment. Unless otherwise prohibited by applicable law or regulation, the prepayment charge will equal 2-months advance interest on the aggregate of all payments made within a 12-month period that exceed 1/3 of the amount of the original loan amount.

MICHIGAN (MI)

PPP Term in Months	PPP term (in months) selected at time of lock
Max Pay Down	20%
PPP Penalty	one percent (1%) of the amount prepaid that exceeds 20% of the original principal amount of the Note. No prepayment charge will be assessed for any prepayment occurring after the Penalty Period

Sample

If, within the first [PPP Term in Months] month(s) beginning with the date Borrower executes the Note (the "Penalty Period"), Borrower makes a full prepayment, or partial prepayment in any twelve (12)-month period that exceeds 20% of the original principal loan amount, Borrower will pay a prepayment charge as consideration for the Note Holder's acceptance of such prepayment. Unless otherwise prohibited by applicable law or regulation, the prepayment charge will equal one percent (1%) of the amount prepaid that exceeds 20% of the original principal amount of the Note. No prepayment charge will be assessed for any prepayment occurring after the Penalty Period.

NEW JERSEY (NJ)

PPP Term in Months	PPP term (in months) selected at time of lock
Max Pay Down	33 1/3%
PPP Penalty	three percent (3%) of all payments made within a six (6)-month period that exceed 33 1/3% of the face amount of the Note

Sample

If, within the first [PPP Term in Months] month(s) beginning with the date Borrower executes the Note (the "Penalty Period"), Borrower makes a full prepayment, or partial prepayment in any twelve (12)-month period that exceeds 33 1/3% of the original principal loan amount, Borrower will pay a prepayment charge as consideration for the Note Holder's acceptance of such prepayment. Unless otherwise prohibited by applicable law or regulation, the prepayment charge will equal three percent (3%) of all payments made within a six (6)-month period that exceed 33 1/3% of the face amount of the Note.

OHIO (OH)

PPP Term in Months	PPP term (in months) selected at time of lock
Max Pay Down	20%
PPP Penalty	one percent (1%) of the balance due on the date of payoff. No prepayment charge will be assessed for any prepayment occurring after the Penalty Period

Sample

If, within the first [PPP Term in Months] month(s) beginning with the date Borrower executes the Note (the "Penalty Period"), Borrower makes a full prepayment, or partial prepayment in any twelve (12)-month period that exceeds 20% of the original principal loan amount, Borrower will pay a prepayment charge as consideration for the Note Holder's acceptance of such prepayment. Unless otherwise prohibited by applicable law or regulation, the prepayment charge will equal one percent (1%) of the balance due on the date of payoff. No prepayment charge will be assessed for any prepayment occurring after the Penalty Period.

VIRGINIA (VA)

PPP Term in Months	PPP term (in months) selected at time of lock
Max Pay Down	20%
PPP Penalty	one percent (1%) of the amount prepaid that exceeds 20% of the original principal amount of the Note. No prepayment charge will be assessed for any prepayment occurring after the Penalty Period

Sample

If, within the first [PPP Term in Months] month(s) beginning with the date Borrower executes the Note (the "Penalty Period"), Borrower makes a full prepayment, or partial prepayment in any twelve (12)-month period that exceeds 20% of the original principal loan amount, Borrower will pay a prepayment charge as consideration for the Note Holder's acceptance of such prepayment. Unless otherwise prohibited by applicable law or regulation, the prepayment charge will equal one percent (1%) of the amount prepaid that exceeds 20% of the original principal amount of the Note. No prepayment charge will be assessed for any prepayment occurring after the Penalty Period.