

Prepayment penalties are only permitted on investment properties for Carrington Prime Advantage, Carrington Flexible Advantage, Carrington Flexible Advantage Plus, and Carrington Investor Advantage products **with a Business Purpose Affidavit signed at closing.**

“Standard Prepay” means a prepayment charge on the amount prepaid (in full or partial payments) in any 12-month period in excess of 20% of the original principal balance; the prepayment charge shall not exceed six (6) months' interest on the amount prepaid; prepayment term up to 5 years as permissible under applicable laws and as noted below.

| State Name | Prepay Eligibility | Specific Rules | Calculation Method |
|----------------------|--------------------|---|--|
| Alabama | Yes | None | Standard Prepay up to 5 years |
| Alaska | No | NA | NA |
| Arizona | Yes | None | Standard Prepay up to 5 years |
| Arkansas | Yes | None | Standard Prepay up to 5 years |
| California | Yes | None | Standard Prepay up to 5 years |
| Colorado | Yes | None | Standard Prepay up to 5 years |
| Connecticut | Yes | None | Standard Prepay up to 5 years |
| District of Columbia | Yes | None | Standard Prepay up to 5 years |
| Delaware | No | NA | NA |
| Florida | Yes | None | Standard Prepay up to 5 years |
| Georgia | Yes | None | Standard Prepay up to 5 years |
| Hawaii | Yes | None | Standard Prepay up to 5 years |
| Idaho | Yes | None | Standard Prepay up to 5 years |
| Illinois | Yes | Permissible on loans with an interest rate equal to or less than 8%, max term 3 years or less - cannot be imposed after first change date for ARMs, tiered structure. | If prepaid in months 1-12, 3% of original principal balance |
| | | | If prepaid in months 13-24, 2% of original principal balance |
| | | | If prepaid in months 25-36, 1% of original principal balance |
| Indiana | Yes | None | Standard Prepay up to 5 years |
| Iowa | Yes | None | Standard Prepay up to 5 years |
| Kansas | No | NA | NA |
| Kentucky | Yes | None | Standard Prepay up to 5 years |
| Louisiana | Yes | None | Standard Prepay up to 5 years |
| Maine | Yes | None | Standard Prepay up to 5 years |
| Maryland | Yes | None | Standard Prepay up to 5 years |
| Massachusetts | Yes | Correspondent Only | Standard Prepay up to 5 years |
| Michigan | Yes | None | 1% of amount prepaid, up to 3 years |

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| Minnesota | Yes | Permissible on loan amounts greater than the conforming loan amount (adjusted annually). | Standard Prepay up to 5 years |
| Mississippi | Yes | Tiered structure, up to 5 years | If prepaid in months 1-12, 5% of unpaid principal balance |
| | | | If prepaid in months 13-24, 4% of unpaid principal balance |
| | | | If prepaid in months 25-36, 3% of unpaid principal balance |
| | | | If prepaid in months 37-48, 2% of unpaid principal balance |
| | | | If prepaid in months 49-60, 1% of unpaid principal balance |
| Missouri | Yes | None | Standard Prepay up to 5 years |
| Montana | Yes | None | Standard Prepay up to 5 years |
| Nebraska | Yes | None | Standard Prepay up to 5 years |
| Nevada | Yes | None | Standard Prepay up to 5 years |
| New Hampshire | Yes | None | Standard Prepay up to 5 years |
| New Jersey | Yes | ARM loan or closing in the name of a Corporation, no restrictions | Standard Prepay up to 5 years |
| | Yes | Fixed Rate when closing in LLC or as individual, permitted if interest rate is equal to or less than 6% | Standard Prepay up to 5 years |
| New Mexico | No | NA | NA |
| New York | Yes | None | Standard Prepay up to 5 years |
| North Carolina | Yes | Loan amount equal or less than \$100,000 | 2% of the unpaid balance, up to 3 years |
| | | Loan amount greater than \$100,000 | Standard Prepay up to 5 years |
| North Dakota | Yes | None | Standard Prepay up to 5 years |
| Ohio | Yes | 1-2 Unit properties with loan amount equal to or greater than \$110,223 (for 2024, adjusted annually) | 1% of the original principal balance, up to 5 years |
| | | 3-4 Unit properties | Standard Prepay up to 5 years |
| Oklahoma | Yes | None | Standard Prepay up to 5 years |
| Oregon | Yes | None | Standard Prepay up to 5 years |
| Pennsylvania | Yes | 1-2 Unit properties with loan amount greater than \$319,777 (for 2025, adjusted annually) | Standard Prepay up to 5 years |
| | Yes | 3-4 Unit properties | Standard Prepay up to 5 years |
| Rhode Island | Yes | Purchase and Refinance 1 Year PPP | 2% of the unpaid principal balance, 1 year term only |
| | Yes | Refinance 2 to 5 Year PPP | Standard Prepay up to 5 years |
| South Carolina | Yes | None | Standard Prepay up to 5 years |

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| South Dakota | Yes | None | Standard Prepay up to 5 years |
| Tennessee | Yes | None | Standard Prepay up to 5 years |
| Texas | Yes | None | Standard Prepay up to 5 years |
| Utah | Yes | None | Standard Prepay up to 5 years |
| Vermont | Yes | None | Standard Prepay up to 5 years |
| Virginia | Yes | Loan amount less than \$75,000 | 1% of the unpaid principal balance, up to 5 years |
| | | Loan Amount equal to or greater that \$75,000 | Standard Prepay up to 5 years |
| Washington | Yes | None | Standard Prepay up to 5 years |
| West Virginia | Yes | None | Standard Prepay up to 5 years |
| Wisconsin | Yes | None | Standard Prepay up to 5 years |
| Wyoming | Yes | None | Standard Prepay up to 5 years |

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