

CMS State Prepayment Penalty Matrix - Investment Properties

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

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Massachusetts	Yes	None	Standard Prepay up to 5 years
Michigan	Yes	None	1% of amount prepaid, up to 3 years
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	Closing in a Corporation	Standard Prepay up to 5 years
	Yes	Closing in LLC or as individual, permitted if interest rate is equal to or less than 6%	Standard Prepay up to 5 years
	No	Closing in LLC or as individual and interest rate exceeds 6%	Prohibited
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 \$116,356 (for 2026, 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

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State Name	Prepay Eligibility	Specific Rules	Calculation Method
Pennsylvania	Yes	1-2 Unit properties with loan amount greater than \$329,411 (for 2026, 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
South Dakota	Yes	None	Standard Prepay up to 5 years
Tennessee	Yes	Interest Rate does not exceed the maximum "formula rate"	Standard Prepay up to 5 years
	No	Interest Rate exceeds the maximum "formula rate"	Prohibited
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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