# Finance Charges

### Please read the following before using:

Below is an alphabetized list of fees commonly used by lenders, indicating whether each is typically considered a finance charge under Regulation Z, Section 1026.4 in a real estate transaction. The finance charge includes any charge payable directly or indirectly by the consumer and imposed directly or indirectly by the creditor as an incident to or a condition of the extension of credit, except for fees charged in a comparable cash transaction. Fees specifically exempt include appraisals, credit reports, document preparation, seller's points, hazard or flood insurance premiums, and some title fees. When a third-party fee is increased to benefit the lender (upcharge), the portion retained by the lender is a finance charge.

**Disclaimer**: The fee name alone is not determinative of its finance charge status; thus, we cannot opine with certainty whether a listed fee is or is not a finance charge in a real estate transaction. An examination of the actual service provided is required to confirm whether a fee is a finance charge under Regulation Z. Secondary market investors may have additional requirements that differ from Regulation Z. Consult "Section 1026.4 at a glance" below, and internal legal and compliance resources before making final determinations.

**Note: If uncertain whether a fee is a finance charge in a real estate transaction, assume it is, as advised by PPDocs.com, and verify with your legal and compliance resources. For guidance, click to visit our "Section 1026.4 at a Glance" summary at the bottom of this document.**

# Finance Charge Alphabetized Fee List:

**0-9**, **A**, **B**, **C**, **D**, **E**, **F**, **G**, **H**, **I**, **L**, **M**, **N**, **O**, **P**, **R**, **S**. **T**, **U**, **V**, **W**, **Y**,
(Click a number or letter to proceed directly to that portion of the alphabetized list)

**Numbers**

**203K Consultant Fee**: Yes
**203K Contingency Reserve**: No
**203K Escrow Fees to Lender**: Yes
**203K Home Inspection**: Yes
**203K Inspection Fee (Lender Makes These Inspections)**: Yes
**203K Permits**: Yes
**203K Repairs:** No

**203K Supplemental Document Fee**: Yes
**203K Supplemental Origination Fee**: Yes
**2nd Lien Fee**: Yes
**4506 Transcript Fee**: Yes

**A**

**Abstract Fee:** No
**Abstractor's Certificate**: No
**Accommodation Fee:** Yes
**Administrative Fee**: Yes
**Amortization Schedule**: Yes
**Application Fee** Business decision if charged to all applicants (Most investors include in APR)
**Appraisal Admin Fee:** Yes
**Appraisal Desk Review:** Yes
**Appraisal Fee (3rd party or Lender)**: No
**Appraisal Management Fee:** Yes
**Appraisal Re-Inspection Fee:** Yes
**Appraisal Retype**: No
**Appraisal Review (3rd party or Lender):** Business decision when paid to third party (Most investors include in APR)
**Appraisal Waiver Fee:** Yes
**Archive Fee:** Yes
**Assignment Fee**: Yes
**Assumption Fee**: Yes
**Attorney Fee for Document Preparation or Closing (3rd Party)**: Yes
**Attorney Retained by Borrower Fee for File Review**: No
**Audit Fee:** Yes
**Automated Underwriting Fee:** Yes
**Automated Valuation Model (AVM) Fee:** Yes (Most investors include in APR)

**B**

**Bank Fee/Points**: Yes
**Broker's Fee**: Yes
**Buydown/Subsidy Fee (Borrower's Portion)**: Yes

## C

**Chain of Title:** No
**Closing Coordination Fee**: Yes
**Closing Fee**: Yes
**Closing Protection Letter:** Yes
**Commission - Listing Agent:** No
**Commission - Selling Agent**: No
**Commitment Fee**: Yes
**Compliance Fee/Compliance Audit Fee**: Yes
**Condo Certification (Lender Required)**: Yes
**Condo Questionnaire:** Yes
**Condo Review Fee (lender required):** Yes
**Condominium Association Dues:** No
**Condominium Association Special Assessment:** No
**Consultant Fee**: Yes
**Contract Processing Fee:** Yes
**Conversion Fee**: Yes
**Coordination Fee:** Yes
**Copy Fee**: Yes
**Courier Fee (all, including payoff from title company)**: Yes
**Credit Alert (CAVIR)**: No
**Credit Life Insurance (if required by Lender)**: Yes
**Credit Report Fee**: No

## D

**Delivery Fee:** Yes
**Demand Fee:** Yes
**Discount Point Fee:** Yes
**Document Preparation**: Business decision (Most investors include in APR)
**Document Review**: Yes
**Document Stamps**: No

**Download Fee**: Yes

**Draws Inspection Fee:** Yes

## E

**E Doc Fee:** Yes

**E Mail Charge:** Yes

**Earthquake Insurance Premium:** No

**Electronic Delivery**: Yes

**Electronic Filing / E-File / E-Recording Fee:** Business decision (Most investors include in APR)

**Employment Verification**: Yes

**Endorsements:** No

**Engineer's Report (if not required by Lender)**: No

**Engineer's Report (if required by Lender)**: Yes

**Escrow Fee:** Yes

**Escrow Fees to Lender (203K)**: Yes

**Escrow Fees to Title Company**: Yes

**Escrow Messenger Fee:** Yes

**Escrow Repair Holdback:** No

**Escrow Repairs (Rehab amounts)**: No

**Escrow Waiver Fee to Lender**: Yes

**Estoppel Fee:** No

**Express Mail (All, Including Payoff from Title Co.)**: Yes

## F

**Fax Fee:** Yes

**Final Inspection Fee (on construction or improvement loan)**: Yes

**Final Inspection:** Business decision (Most investors will include in APR)

**Flood - Life of Loan Monitoring (only)**: Yes

**Flood Certification (if part of survey fee)**: No

**Flood Certification/Flood Hazard Determination (only)**: No

**Flood Certification/Flood Hazard Determination w/ Life of Loan Monitoring (Combined)**: Yes
**Flood Determination/Inspection (initial determination)**: No
**Flood Insurance Escrow:** No
**Flood Insurance Premium**: No
**Flood Service Fee:** Yes
**Foundation Inspection:** No
**Fulfillment Fee**: Yes
**Funding Fee**: Yes

**G**

**GA Residential Mtg. Tax:** No
**Gap Check Fee (title)**: No
**Good Funds (To Lender)**: Yes
**Guarantee Fee**: No
**Guarantee Fee: USDA (Up-Front and Monthly)**: Yes

**H**

**Hazard Insurance Escrow:** No
**Hazard Insurance Premium:** No
**HOA Certification (lender required)**: Yes
**HOA – Doc Fee (lender required):** Yes
**HOA Dues**: No
**HOA Service Fee:** No
**HOA Special Assessment:** No
**HOA Statement of Account:** No
**HOA Transfer Fee**: No
**HOA Working Capital**: No
**Home Inspection (if required by lender)**: Yes
**Home Inspection (not lender required)**: No
**Home Warranty (if required by lender)**: Yes
**Home Warranty (Optional):** No
**Homeowners Insurance Premium:** No

**Homeownership Counseling Fee**: Yes
**HUD Review Fee**: Yes

**I**

**Imaging Fee:** Yes
**Inspection and Handling Fees for the staged disbursement of construction loan proceeds**: Yes
**Inspection/Photo Fee (Not to Appraiser)**: Yes
**Insurance Reimbursement**: No
**Insuring Fee**: Yes
**Intangible Tax:** No
**Interest Collected for Old Loan Pay-Off in Refinance**: No
**Interest to End of Month (FHA, VA & Conv.)**: Yes
**Interest:** Yes
**Interim Inspections:** Yes
**Investor Fee:** Yes
**IRS Transcripts:** Yes

**L**

**Lender Inspection Fee**: Yes
**Lender Title Coverage:** No
**Life of Loan:** Yes
**Loan Application Fee:** Business decision if charged to all applicants (Most investors include in APR)
**Loan Delivery Fee**: Yes
**Loan Docs (fees for preparing deeds, mortgages, and similar documents if to 3rd party lawyer)**: Yes
**Loan Level Pricing Adjustment (LLPA)**: Yes
**Loan Origination Fee:** Yes
**Loan Processing:** Yes
**Lock Extension Fee**: Yes
**Lock Fee:** Yes

## M

**Maine Per Loan Fee:** No
**Maintenance Fee:** Yes
**Management Fee:** Yes
**Manual Underwriting Fee:** Yes
**MCC Fee**: Yes
**MERS Fee:** Yes
**Messenger Fee:** Yes
**MI Renewal Reserves:** Yes
**MIP Refund**: No
**MIP**: Yes
**Mobile Notary:** Business decision (Most investors will include in APR)
**Mobile Signing Fee**: Yes
**Modification Fee**: Yes
**Mold Inspection Fee:** No
**Mortgage Insurance**: Yes
**Mortgage Tax**: No

## N

**Notary Fee**: Business decision (Most investors include in APR)

## O

**Oklahoma Mortgage Tax Fee:** No
**Origination Fee**: Yes
**Overnight Delivery:** Yes
**Owners Coverage:** No

## P

**Participation Fee:** Yes
**Per Diem Interest**: Yes
**Pest Inspection Fee:** No
**Plan Review Fee**: Yes
**PMI (Initial Premium/Reserves)**: Yes
**Post Closing Fee**: Yes
**Prepaid Interest:** Yes
**Pre-Plan Inspection Fee**: Yes
**Principal Reduction Payment:** No
**Processing Fee**: Yes
**Property Inspection Waiver Fee:** Yes
**Property Tax:** No
**Purchasing Fee:** Yes

## R

**R-8 Credit:** No
**Rate Lock or Extension Fee**: Yes
**Real Estate Commission (Buyer's or Seller's Realtor):** No
**Rebate Fee**: Yes
**Recert of Value (Lender):** Yes
**Recertification Fee (To Appraiser)**: No
**Recording Fee (Paid to Government Entity)**: No
**Recording Service:** Yes
**Redraw Fee for Doc Prep Lawyer**: No
**Redraw Fee:** Yes
**Referral Fee:** Yes
**Refinance Fee**: Yes
**Release Fee**: Yes
**Remote Doc Download:** Yes
**Renewal & Extension Credit**: No
**Renewal & Extension:** No
**Repairs:** No

**Residential Service Contract:** No
**Restriction Fees (To Title Company)**: No
**Revenue Stamps**: No
**Review Appraisal (Lender):** Yes
**Review Fee/Attorney Review Fee**: Yes
**Review Fee:** Yes
**Rural Development Guaranty Fee (USDA/RHS):** Yes
**Rush Fee:** Yes

**S**

**Seller Attorney Fee:** No
**Septic Inspection:** No
**Service Release Premium:** No
**Service Fee:** Yes
**Servicing Fee:** Yes
**Set Up Fee:** Yes
**Settlement Fee:** Yes
**Shipping Fee:** Yes
**Signing Agent Fee:** Yes
**SRP:** No
**State Property Tax:** No
**State Tax Stamps**: No
**Statement of Ownership and Location (SOL) Application**: No
**Storage Fee:** Yes
**Sub Escrow:** Yes
**Subordination Fee:** Yes
**Supplemental Discount**: Yes
**Supplemental Origination**: Yes
**Survey Fee**: No

**T**

**Table Funding Fee:** Yes
**Tax Certificate**: Business decision (Some investors include it in APR)
**Tax Deletion (To Title Company)**: No
**Tax Research Fee (4506-C)**: Yes
**Tax Research Fee (if tax service fee)**: Yes

**Tax Service Fee - Initial examination**: No
**Tax Service Fee (for life of loan)**: Yes
**Tax Stamps:** No
**Tax Transcript Fee (4506-C)**: Yes
**Taxes:** No
**Telephone Fee:** Yes
**Temporary Buydown Fee:** Yes
**Termite/Pest Inspection**: No
**Texas Attorney Fee (Doc Prep):** Yes
**Texas Guaranty Fee:** No
**Third Party Audit:** Yes
**Title Commitment Fee**: Yes
**Title Examination Fee:** No
**Title Binder**: No
**Title Examination Fee**: No
**Title Guaranty Fee**: No
**Title Inspection (To Title Company)**: No
**Title Insurance (Lenders or Owners)**: No
**Title Insurance - Lender's Policy Work Charge:** Yes
**Title Opinion/Policy (To Title Company)**: No
**Title Search:** No
**Title Service Fee**: Yes
**Transaction Fee**: Yes
**Transfer Tax**: No
**TX Vet Participation Fee:** Yes
**TX Vet VHAP:** Yes

**U**

**Underwriting Fee**: Yes

**V**

**VA Funding Fee**: Yes
**VA No-Bid Fee**: Yes

**Verification of Deposit / V.O.D.**: Yes
**Verification of Employment / V.O.E.:** Business decision (Most investors include in APR)
**Verifying information regarding non-APR item**: No
**VHAP Participation Fee:** Yes
**Volcano Insurance Premium:** No

**W**

**Warehouse Fee**: Yes
**Warranty Deed Prep Fee**: No
**Warranty Deed Review Fee**: Yes
**Water Test:** No
**Well Inspection:** No
**Wind and Storm Insurance Premium:** No
**Wire Fee**: Yes

**Y**

**Yield Spread Premium:** No

## Section 1026.4 at a Glance:

**§ 1026.4(a) - General Definition**. Defines a finance charge as any cost imposed directly or indirectly by the creditor as an incident to or condition of extending credit. Excludes charges imposed uniformly in cash and credit transactions. For example, interest, points, service fees, loan fees, or any charge payable by the consumer in a credit transaction, unless specifically excluded.

**§ 1026.4(a)(1) - Third party fees.** If not otherwise specifically excluded, a third-party charge is a finance charge if the creditor requires the use of that third party as a condition of extending credit (even if the consumer is allowed to choose the third party); or the creditor keeps part of the third-party fee (the portion retained is included in the finance charge).

**§ 1026.4(a)(2) - Closing agent charges**. Fees charged by a third-party closing agent (such as a title company, escrow company, or attorney) are considered finance charges only if: 1) the creditor requires the specific service, 2) The creditor requires the fee to be charged, or 3) the creditor retains any part of the fee. Otherwise, the charge may be excluded — especially if it would be paid in a comparable cash transaction, or it qualifies under a specific exclusion (e.g., § 1026.4(c)(7)).

**§ 1026.4(a)(3) - Broker Fees**. States that fees charged by a mortgage broker (e.g., broker fees or finder's fees) are finance charges, even if not required by the creditor and no part of fee is retained by the creditor.

**§ 1026.4(b) - Examples of Finance Charges** Provides a non-exhaustive list of finance charge examples, including and some of these fees are excluded in real estate transactions under §1026.4(c)(7):

- **§ 1026.4(b)(1)**: Interest and time-price differential (core finance charges like prepaid or odd-days interest).
- **§ 1026.4(b)(2)**: Includes service, transaction, activity, or carrying charges as finance charges when imposed by the creditor in connection with the loan. Examples include processing, underwriting, administrative, or document handling fees. Title company closing or settlement fee and attorney document preparation fee are excluded under (c)(7).
- **§ 1026.4(b)(3)**: includes points, loan fees, origination charges, assumption fees, and broker or finder's fees as finance charges when imposed as a condition of credit — regardless of whether the creditor retains the fee.

- **§ 1026.4(b)(4)**: Appraisal, investigation, or credit report fees if performed or retained by the creditor (e.g., lender-conducted inspections or appraisals, but not third-party fees). Third-party appraisals, credit reports, and property inspection by non-lender third-party are excluded under (c)(7)
- **§ 1026.4(b)(5)**: Includes premiums for credit life, credit accident and health insurance, and fees for debt cancellation or debt suspension coverage as finance charges if the coverage is required by the creditor or if the consumer does not voluntarily choose it.
- **§ 1026.4(b)(6)**: Includes as finance charges any fees imposed by the creditor for the assignment, assumption, or transfer of a loan.

**§ 1026.4(c)(1) - Application Fees** Excludes application fees from finance charges if charged to all applicants, regardless of whether credit is extended. If only charged to approved applicants, it's a finance charge.

**§ 1026.4(c)(4) - Participation Fees** Excludes membership or participation fees in open-end credit plans from finance charges in certain cases. For closed-end mortgages, however, participation fees imposed by the lender (e.g., TX Vet Participation Fee) are typically finance charges unless explicitly exempted.

**§ 1026.4(c)(7) - Real Estate-Related Fees** Excludes certain fees related to real estate transactions if they are bona fide and reasonable, including:

- **§ 1026.4(c)(7)(i)**: Title-related fees (e.g., title search, examination, insurance, endorsements, or binders).
- **§ 1026.4(c)(7)(ii)**: Document preparation fees.
- **§ 1026.4(c)(7)(iii)**: Notary and credit report fees.
- **§ 1026.4(c)(7)(iv)**: Appraisal, inspection, or survey fees (e.g., home, pest, or flood inspections, unless conducted by the lender).
- **§ 1026.4(c)(7)(v)**: Amounts required to be paid into escrow or trust accounts (e.g., repair holdbacks or insurance escrows), if the underlying amounts are not finance charges.

**§ 1026.4(c)(7) Commentary** Official interpretations clarify nuances, such as life-of-loan flood monitoring fees being finance charges if imposed by the lender, even though initial flood determinations are excluded under § 1026.4(c)(7)(iv).

**§ 1026.4(d)(2) - Insurance Premiums** Excludes voluntary insurance premiums (e.g., homeowners, flood, earthquake, or wind/storm insurance) from finance charges if the consumer can choose the provider and the coverage is not required by the creditor as a condition of credit.

**§ 1026.4(g) - Taxes and Fees to Government** Excludes premiums for property and liability insurance (e.g., homeowners, flood, earthquake, or hazard insurance) from the finance charge as long as they are not required by the lender; or, if required by the lender, the borrower is allowed to choose the insurance provider and is informed of their right to choose in writing, and the premium amount is disclosed separately. Homeowners insurance is excluded if borrower can choose and receives disclosures. Voluntary flood and wind insurance purchased for the borrower's protection are excluded. Any lender-retained fee is included in the FC. When lender specifies the provider, it is included in the FC.