

UTAH HIGH-COST RECAP

What loans are subject to rule:

Consumer-purpose loans made by licensees in Utah secured by the borrower's primary residence.

Fees included:

Includes the APR fees payable to a creditor, mortgage broker, and/or its affiliates in the fee test.

The transaction is considered a high-cost loan if points and fees exceed the greater of 8 % of total loan amount or \$1,243.

APR threshold test:

The transaction is considered a high-cost home loan if:

First Lien: The APR exceeds comparable U.S. Treasury securities index by more than 8%

Subordinate Lien: The APR exceeds comparable U.S. Treasury securities index by more than 10%

APR compared against: Treasury Yield as of the 15th day of the month immediately preceding the month in which the application for the loan is received by the creditor

Additional limitations:

- Single premium Credit Insurance prohibited.
- No Prepayment penalty after 36 months, before then it is limited.
- No Negative Amortization
- No Arbitration Clauses.

Disclosures required:

A High-Cost Mortgage Disclosure (Doc ID 9167 in the PPDocs, Inc. document library) must be provided at least three business days prior to closing.

Underlying Regulation:

[Utah Code §§61-2d-101 et seq.\)](#)

<https://le.utah.gov/xcode/Title61/Chapter2D/61-2d.html>