

### SHARP ADVANTAGE NON-QM Prepayment Penalty Matrix

Allowed on Investment Property transactions, which are treated as Business Purpose loans.

A prepayment penalty on a mortgage loan is a fee that a lender may charge if the borrower pays off the loan early, either by refinancing, selling the home, or making extra payments that exceed a specified limit. Where permitted by applicable laws and regulations on an investment property, a prepayment charge may be assessed in the period between one (1) and five (5) years following the execution date of the Note.

The following prepayment structure is considered acceptable:

- Six (6) months of interest – The prepayment charge will be equal to six (6) months of interest on the amount of the prepayment that exceeds 20% of the original principal balance.

State	Eligibility
Alabama	Prepayment Penalty allowed
Alaska	Prepayment Penalty NOT allowed
Arizona	Prepayment Penalty allowed
Arkansas	Prepayment Penalty allowed
California	Prepayment Penalty allowed
Colorado	Prepayment Penalty allowed - must have Colorado "Loan Product Choice Disclosure"
Connecticut	Prepayment Penalty allowed
Delaware	Prepayment Penalty allowed
District of Columbia (DC)	Prepayment Penalty NOT allowed
Florida	Prepayment Penalty allowed
Georgia	Prepayment Penalty allowed
Hawaii	Prepayment Penalty allowed
Idaho	Prepayment Penalty allowed
Illinois	Prepayment Penalty allowed - Only to Legal Entiy. Illinois law states that no prepayment penalty may be charged on any loan with an APR which exceeds 8% even on business purpose loans. if the loan is to a corporation or LLC where the entity is the actual borrower, this restriction does not apply.
Indiana	Prepayment Penalty allowed
Iowa	Prepayment Penalty allowed
Kansas	Prepayment Penalty NOT allowed
Kentucky	Prepayment Penalty allowed
Louisiana	Prepayment Penalty allowed
Maine	Prepayment Penalty allowed
Maryland	Prepayment Penalty NOT allowed
Massachusetts	Prepayment Penalty allowed
Michigan	Prepayment Penalty NOT allowed
Minnesota	Prepayment Penalty NOT allowed
Mississippi	Prepayment Penalty NOT allowed
Missouri	Prepayment Penalty allowed
Montana	Prepayment Penalty allowed
Nebraska	Prepayment Penalty allowed
Nevada	Prepayment Penalty allowed
New Hampshire	Prepayment Penalty allowed
New Jersey	Prepayment Penalty allowed
New Mexico	Prepayment Penalty NOT allowed
New York	Prepayment Penalty allowed
North Carolina	Prepayment Penalty allowed if loan amount is >\$100,000
North Dakota	Prepayment Penalty allowed
Ohio	Prepayment Penalty NOT allowed
Oklahoma	Prepayment Penalty allowed
Oregon	Prepayment Penalty allowed - with Oregon PPP Disclosure
Pennsylvania	Prepayment Penalty allowed on 1-2 unit if loan amount > \$329,411 (allowed on 3-4 unit regardless of loan amount)
Rhode Island	Prepayment Penalty NOT allowed
South Carolina	Prepayment Penalty allowed
South Dakota	Prepayment Penalty allowed
Tennessee	Prepayment Penalty allowed
Texas	Prepayment Penalty allowed on non-owner occupied transactions
Utah	Prepayment Penalty allowed
Vermont	Prepayment Penalty allowed
Virginia	Prepayment Penalty allowed if loan amount >\$75,000
Washington	Prepayment Penalty allowed if loan is Fixed Rate
West Virginia	Prepayment Penalty allowed
Wisconsin	Prepayment Penalty allowed with Wisconsin PPP Disclosure
Wyoming	Prepayment Penalty allowed