

CAL/SECTION 32 – EXEMPTION WORKSHEET (2006)

Borrower: _____

(Combines AB 489 and Section 32)

Loan Number: _____

Use the following steps to determine if a loan is subject to Ca/Section 32 disclosure requirements.

STEP 1.

IS THE LOAN EXEMPT ?

	YES	NO
A. Is the loan for business purposes?	<input type="checkbox"/>	<input type="checkbox"/>
B. Is the loan on a vacation or second home (not principal residence) the borrower has stated will never be occupied as their principal residence?	<input type="checkbox"/>	<input type="checkbox"/>
C. Does the property contain more than 4 dwelling units?	<input type="checkbox"/>	<input type="checkbox"/>
D. Is the loan a home equity line of credit?	<input type="checkbox"/>	<input type="checkbox"/>
E. Is the loan a reverse mortgage?	<input type="checkbox"/>	<input type="checkbox"/>
F. Is the loan a loan under one year to acquire or to construct a new principal residence?	<input type="checkbox"/>	<input type="checkbox"/>
G. Is the loan to an existing corporation, partnership or LLC	<input type="checkbox"/>	<input type="checkbox"/>

IF THE ANSWER IS “YES” TO ANY ONE OF THE QUESTIONS ABOVE, STOP HERE AND FILE THIS WORKSHEET IN THE LOAN FILE. THE LOAN IS NOT A CAL/SECTION 32 LOAN. IF YOU ANSWERED “NO” TO ALL OF THE ABOVE, PROCEED TO THE FOLLOWING STEPS.

STEP 2.

COUNTED POINTS AND FEES CALCULATION

Prepaid Finance Charges:	
D. Total of all lender loan fees (excluding beginning interest):	+(D) \$ _____
E. Total of all broker compensation/fees paid by the borrower:	(E) \$ _____
F. Total of all third party fees paid by borrower, including POC’s, including all closing agent fees but excluding title insurance and recording fees and appraiser fees documented by receipt or bill from appraiser:	+(F) \$ _____
G. Total of all Cal/Section 32 fees:	(G) \$ _____

STEP 3.

CAL/SECTION 32 FEE THRESHOLD CALCULATION

1. Total Loan Amount (per application):	(H) \$ _____
2. Minus total fees from line G:	-(I) \$(_____)
3. Minus beginning interest:	- \$(_____)
Cal/Section 32 Loan Amount	=(J) \$ _____

4. Divide the Cal/Section 32 fee amount reflected on Line G, by the Cal/Section 32 loan amount on Line J:

(G) \$ _____ divided by (J) \$ _____ = _____ %

If this percentage is over 6% and the Total Loan Amount is less than \$417,000 this loan is a Cal 32 loan. If the Total Amount is \$417,000 or more and percentage is over 8% this loan is a Section 32 loan.

CAL/SECTION 32 APR THRESHOLD

1. Comparable T-Bill Rate _____ % plus 8%*:	_____ % Maximum APR
2. Loan APR:	_____ Loan APR

If the Loan APR exceeds the Maximum APR threshold, the loan is subject to Cal/Section 32 requirements.

*10% as to junior liens of \$417,000 or more.

A copy of this worksheet must be maintained in the loan file.

Worksheet calculated by: _____

Date _____