# Finance Charge Chart

**FINANCE CHARGE = DOLLAR COST OF CONSUMER CREDIT:** It includes any charge payable directly or indirectly by the consumer and imposed directly or indirectly by the creditor as a condition of or incident to the extension of credit.

**CHARGES ALWAYS INCLUDED**

- Interest
- Transaction fees
- Loan origination fees Consumer points
- Credit guarantee insurance premiums
- Charges imposed in the creditor for purchasing the loan, which are passed on to the consumer
- Discounts for inducing payment by means other than credit
- Mortgage broker fees
- Other examples: Fee for preparing TILA disclosure; real estate construction loan inspection fees; fees for post-consummation tax or flood service policy; required credit life insurance charges

**CHARGES INCLUDED UNLESS CONDITIONS ARE MET**

**CONDITIONS (Any loan)**

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| Premiums for credit life, A&H, or loss of income insurance | Insurance not required, disclosures are made, and consumer authorizes |
| Debt cancellation fees | Coverage not required, disclosures are made, and consumer authorizes |
| Premiums for property or liability insurance | Consumer selects insurance company and disclosures are made |
| Premiums for vendor's single interest (VSI) insurance | Insurer waives right of subrogation, consumer selects insurance company, and disclosures are made |
| Security interest charges (filing fees), insurance in lieu of filing fees and certain notary fees | The fee is for lien purposes, prescribed by law, payable to a public official and is itemized and disclosed |
| Charges imposed by third parties | Use of the third party is not required to obtain loan and creditor does not retain the charge |
| Charges imposed by third party closing agents | Creditor does not require and does not retain the fee for the particular service |
| Appraisal and credit report fees | Application fees, if charged to all applicants, are not finance charges. Application fees may include appraisal or credit report fees. |

**CHARGES NOT INCLUDED (Residential mortgage transactions and loans secured by real estate)**

- Fees for title insurance, title examination, property survey, etc.
- Fees for preparing loan documents, mortgages, and other settlement documents
- Amounts required to be paid into escrow, if not otherwise included in the finance charge
- Notary fees
- Pre-consummation flood and pest inspection fees
- Appraisal and credit report fees

**CHARGES NEVER INCLUDED**

- Charges payable in a comparable cash transaction
- Late fees
- Overdraft fees not agreed to in writing
- Seller's points
- Participation or membership fees
- Discount offered by the seller to induce payment by cash or other means not involving the use of a credit card
- Interest forfeited as a result of interest reduction required by law
- Charges absorbed by the creditor as a cost of doing business



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