§ 1980.324 Charges and fees by Lender.

(a) Routine charges and fees. The Lender may establish the charges and fees for the loan, provided they are the same as those charged other applicants for similar types of transactions.

(b) Late payment charges. Late payment charges will not be covered by the guarantee. Such charges may not be added to the principal and interest due under any guaranteed note. Late charges may be made only if:

1. Maximum amount. The maximum amount does not exceed the percentage of the payment due as prescribed by HUD or Fannie Mae or Freddie Mac.

2. Routine. They are routinely made by the Lender in similar types of loan transactions.

3. Payments received. Payments have not been received within the customary time frame allowed by the Lender. The term “payment received” means that the payment in cash, check, money order, or similar medium has been received by the Lender at its main office, branch office, or other designated place of payment.

4. Calculating charges. The Lender does not change the rate or method of calculating the late payment charges to increase charges while the loan note guarantee is in effect.

5. Interest-assisted loans. The Lender will not penalize or charge any fee to the borrower when the only delinquency is a loan subsidy payment, which the Lender is entitled to but has not received.

§ 1980.325 Transactions which will not be guaranteed.

(a) Lease payments. Payments made on a lease will not be guaranteed.

(b) Loans made by other Federal agencies. Loans made by other Federal agencies will not be guaranteed. This does not preclude guarantees of loans made by an FCS institution with direct lending authority. This also does not preclude loans made by state or local government agencies assisted by a Federal agency.