pay any additional origination fee of any kind to a mortgage broker or loan correspondent. A mortgage broker’s fee can be included as part of the origination fee only if the mortgage broker is engaged independently by the homeowner and if there is no financial interest between the mortgage broker and the mortgagee.

(2) Reasonable and customary amounts, but not more than the amount actually paid by the mortgagee, for any of the following items:
   (i) Recording fees and recording taxes, or other charges incident to the recording of the insured mortgage;
   (ii) Credit report;
   (iii) Survey, if required by the mortgagee or the mortgagor;
   (iv) Title examination;
   (v) Mortgagor’s title insurance;
   (vi) Fees paid to an appraiser for the initial appraisal of the property; and
   (vii) Such other charges as may be authorized by the Secretary.

(b) Repair administration fee. If the property requires repairs after closing in order to meet HUD requirements, the mortgagee may collect a fee as compensation for administrative duties relating to repair work pursuant to §206.47(c), not to exceed the greater of one and one-half percent of the amount advanced for the repairs or fifty dollars. The mortgagee shall collect the repair fee by adding it to the mortgage balance.


§ 206.32 No outstanding unpaid obligations.

In order for a mortgage to be eligible under this part, a mortgagor must establish to the satisfaction of the mortgagee that:

(a) After the initial payment of loan proceeds under §206.25(a), there will be no outstanding or unpaid obligations incurred by the mortgagor in connection with the mortgage transaction, except for repairs to the property required under §206.47 and mortgage servicing charges permitted under §206.207(b); and

(b) The initial payment will not be used for any payment to or on behalf of an estate planning service firm.

[64 FR 2988, Jan. 19, 1999]