(11) A trustee’s fee if the security instrument in deed-of-trust states provides for payment of such a fee for execution of a satisfactory, release, or trustee’s deed when the deed of trust is paid in full; and
(12) Such other reasonable and customary charges as may be authorized by the Secretary. (This shall not include:
(i) Charges for servicing activities of the mortgagee or servicer;
(ii) Fees charged by independent tax servicer organizations which contract to furnish data and information necessary for the payment of property taxes,
(iii) Satisfaction, termination, or reconveyance fees when a mortgage is paid in full (other than as provided in paragraph (a)(11) of this section), or
(iv) The fee for recordation of a satisfaction of the mortgage in states where recordation is the responsibility of the mortgagee.)
(13) Where permitted by the security instrument, attorney’s fees and expenses actually incurred in the defense of any suit or legal proceeding wherein the mortgagee shall be made a party thereto by reason of the mortgage; (No attorney’s fee may be charged for the services of the mortgagee’s or servicer’s staff attorney.)
(14) Property preservation expenses incurred pursuant to §203.377.

(b) reasonable and customary fees must be predicated upon the actual cost of the work performed including out-of-pocket expenses. Directors of HUD Area and Insuring Offices are authorized to establish maximum fees and charges which are reasonable and customary in their areas. Except as provided in this part, no fee or charge shall be based on a percentage of either the face amount of the mortgage or the unpaid principal balance due on the mortgage.

§ 203.556 Return of partial payments.

(a) For the purpose of this section, a partial payment is a payment of any amount less than the full amount due under the terms of the mortgage at the time the payment is tendered, including late charges.

(b) Except as provided in this section, the mortgagor shall accept any partial payment and either apply it to the mortgagor’s account or identify it with the mortgagor’s account and hold it in a trust account pending disposition. When partial payments held for disposition aggregate a full monthly installment they shall be applied to the mortgagor’s account, thus advancing
§ 203.558 Handling prepayments.

(a) Notwithstanding the terms of the mortgage, the mortgagor may accept a prepayment at any time and in any amount. Except as set out below, monthly interest on the debt must be calculated on the actual unpaid principal balance of the loan.

(b) With respect to mortgages insured before August 2, 1985, if a prepayment is offered on other than an installment due date, the mortgagor may refuse to accept the prepayment until the first day of the month following expiration of the 30-day notice period as provided in the mortgage, or may require payment of interest of interest to that date, but only if the mortgagor so advises the mortgagor, in a form approved by the Commissioner, in response to the mortgagor’s inquiry, request for payoff figures, or tender of prepayment.

(c) With respect to mortgages insured on or after August 2, 1985, the mortgagor shall not require 30 days’ advance notice of prepayment, even if the mortgage instrument purports to require such notice. If the prepayment is offered on other than an installment due date, the mortgagor may refuse to accept the prepayment until the next installment due date (the first day of the month), or may require payment of interest to that date, but only if the mortgagor so advises the mortgagor, in a form approved by the Commissioner, in response to the mortgagor’s inquiry, request for payoff figures, or tender of prepayment.

(d) If the installment due date (the first day of the month) falls on a non-working day, the mortgagor’s notice of intention to prepay under paragraph (b) or the prepayment shall be timely if received on the next working day.

(e) If the mortgagor fails to meet the full disclosure requirements of paragraphs (b) and (c) of this section, the mortgagor may be subject to forfeiture of that portion of the interest collected for the period beyond the date that prepayment in full was received and to such other actions as are provided in part 25 of this title.

(f) Each mortgagee, with respect to a mortgage under this part, shall provide to each of its mortgagors not less frequently than annually a written notice, in a form approved by the Commissioner, containing a statement of the amount outstanding for prepayment of the principal amount of the mortgage and describing any requirements the mortgagor must fulfill to prevent the accrual of any interest on the principal amount after the date of any prepayment. This paragraph shall apply to any insured mortgage outstanding on or after August 22, 1991.

[50 FR 25014, June 24, 1985, as amended at 56 FR 18948, Apr. 24, 1991]