

TPO Clients may originate Business Purpose Loans unless otherwise noted below

State	License Requirements
AK	No license required to originate / state requires a business license for tax purposes
AZ	A separate Commercial license is required to broker or lend on commercial property (not 1-4 family)
CA	The Broker/Lender Company must be licensed on Business Purpose loans; the individual MLO is not required to be licensed in California on Business Purpose Loans
ID	License required
MN	License required
ND	License required
NV	License required
OR	License required
TN	No license required
UT	License required
VT	License required

EPM allows a PPP on Business Purpose Loans unless otherwise noted below

State	Restrictions
AK	Prepayment Penalty Prohibited
CO	Terms of the offer of a loan product with a PPP must be provided clearly and conspicuously in writing and include the following statutory acknowledgment - "LOAN PRODUCT CHOICE DISCLOSURE - I was provided with an offer to accept a product both with and without a prepayment penalty provision. I have chosen to accept the product with a prepayment penalty." (Colo. Rev. Stat. Ann. Sect. 5-3.5-102(1)(g)(III)).
IL	Outside of Cook County: Permitted if the APR is < 8%, regardless of loan purpose Cook County: Permitted if the APR is < 8% AND the loan amount is > \$250,000
MD	(i) May be imposed only on prepayments made within 3 years from the date the loan is made; and, (ii) May not exceed an amount equal to 2 months' advance interest on the aggregate amount of all prepayments made in any 12-month period in excess of one-third of the amount of the original loan.
MI	Prohibited after 3 years from date of the loan for business purpose loan that secures a Single-Family Dwelling unit. PPP may not exceed 1% of prepayment amount made (Mich. Comp. Laws Ann. Sect. 438.31c(1c)(2)(c).
MN	Prepayment Penalty Prohibited
MS	Permitted only when declining PPP
NH	Prepayment Penalty permitted only if the Addendum to the Note states the terms of the PPP in <b>Bold Font</b>
NJ	Permitted on 1-4 family only when closing in an LLC, S-Corp or C-Corp Permitted on all Multi (5-10 unit) or Mixed (2-8) transactions
NM	Prepayment Penalty Prohibited
OH	Permitted on loan amounts $\geq$ \$112,957 Penalties on 1-2 unit properties cannot exceed 1% of the loan balance during the 1st five years. Penalties on 3 unit properties or greater with loan amounts > \$112,957 a 5% max prepay per year for up to 5 yrs is allowed.
OR	If a loan agreement provides for a penalty to be charged for repaying the loan prior to the date provided for repayment in the loan agreement, the loan agreement shall contain in at least 10- point bold or underlined type substantially the following notice: - NOTICE TO THE BORROWER - "Do not sign this loan agreement before you read it. This loan agreement provides for the payment of a penalty if you wish to repay the loan prior to the date provided for repayment in the loan agreement." (Or. Admin. R. 441-870-0040).
PA	For residential property with 2 or fewer units, the loan amount must be >\$319,777 (adjusted annually - 2025 figure). (41 PA Const. Stat. Ann. Sect 101).
RI	May be imposed only on prepayments made within first year from the date the loan is made and may not exceed 2% of the outstanding balance due at the day of payoff. PPP after the first year are prohibited.
WI	Terms of the offer of a loan product with a PPP must be provided clearly and conspicuously in writing and include the following disclosure: - "LOAN PRODUCT CHOICE DISCLOSURE - I was provided with an offer to accept a product both with and without a prepayment penalty provision. I have chosen to accept the product with a prepayment penalty." (Wis. Stat. Ann. Sect. 428.207)