

If you are a borrower from Countrywide for your mortgage, you may have been improperly charged what is known as a “soft” prepayment penalty if you recently sold your home. Depending on the provisions of your loan documents, lenders reserve the right to charge penalty fees if a mortgage is paid in full, before it is due, as in the case of refinancing. These same loan documents do not permit the lender to charge you a prepayment penalty if you sold your home to a new buyer, before the due date, as is most often the case with home buyers. Countrywide has been charging sellers this “soft” prepayment penalty when they sell their homes before the mortgage is due in full. You can determine if you have been charged this illegal penalty if you review your HUD-1 Settlement sheet which contains the summary of seller’s transactions, line 504 and 505, including whether any prepayment penalty was charged. Or another source to refer back to is an Estimated Closing Cost statement, which may list as an item, a penalty for prepayment of your mortgage loan. These can often be large amounts of money—in the thousands of dollars. Check your documents and if you believe you may have been charged this penalty in error, contact the firm for a free consultation.