

# Tangible Net Benefit Worksheet

## INSTRUCTIONS

The following worksheet must be used in the determination of a borrower's tangible net benefit as the benefit relates directly to the new loan extended. Additional information may be provided on supplemental sheets or on the reverse if the fields below are insufficient.

If Loan Amount of previous loan is unknown, you may substitute with the Loan Payoff as long as it is clearly identified as such.

**NOTE:** The original of this form must be retained in the lender's loan file.

### GENERAL INFORMATION

Lender: \_\_\_\_\_ Loan Number: \_\_\_\_\_  
 Loan Originator / Processor: \_\_\_\_\_  
 Borrower Name(s): \_\_\_\_\_  
 \_\_\_\_\_  
 Property Address: \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

### LOAN INFORMATION

	New Loan	Previous Loan
Loan / Note Date:	_____	_____
Loan Amount:	\$ _____	\$ _____
Loan Term ( <i>months</i> ):	_____ months	_____ months
Type of Loan ( <i>check one</i> ):	<input type="checkbox"/> Fixed-Rate <input type="checkbox"/> Adjustable Rate <input type="checkbox"/> Balloon <input type="checkbox"/> Interest Only <input type="checkbox"/> Payment Option Products	<input type="checkbox"/> Fixed-Rate <input type="checkbox"/> Adjustable Rate <input type="checkbox"/> Balloon <input type="checkbox"/> Interest Only <input type="checkbox"/> Payment Option Products
Current Note Rate:	_____ %	_____ %
Payment Amount:	\$ _____	\$ _____
Cost of New Loan Points & Fees:	\$ _____	\$ _____
Loan To Value ( <i>if applicable</i> ):	_____ %	_____ %
Prepayment Penalty:	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Debt-To-Income Level	_____ %	_____ %
Loan Purpose:	_____	_____

# Tangible Net Benefit Worksheet (Cont.)

## LOAN ORIGINATOR TO COMPLETE: STATEMENT OF BORROWER BENEFITS

The borrower will receive the following described tangible, net benefit(s) through a refinancing of an existing loan (please check every benefit that applies):

### Product Change

**NOTE:** Second review required if loan is a refinance of a "Special Mortgage" (e.g. *Habitat for Humanity, state bond program, etc.*).

- Refinance to lower interest rate with the same or reduced term as the original loan.
- Refinancing of a balloon loan
- Converting from an adjustable rate to a fixed interest rate
- Refinance of an Interest Only or Payment Option ARM loan into a fully amortized mortgage that requires principal reduction with each payment.
- Obtaining a shorter loan term with the same or reduced interest rate as the original loan

### Financial Improvement

- Consolidating other high rate loans and debts into a single low rate loan. Will the new total monthly payment be lower than the total of all monthly obligations being financed, taking into account points and fees?  
 Yes    No   Comments: \_\_\_\_\_
- Making the balloon payment on an existing mortgage loan
- Avoiding foreclosure under the terms of an existing mortgage loan
- Cure delinquent debts secured by the subject property that could result in the loss of the property (e.g. *tax liens, judgment, bankruptcies, etc.*)
- Ability to remove mortgage insurance by lowering Loan-To-Value (LTV)

### Cash-Out Benefits

- The borrower will receive cash-out from the new loan to pay necessary expenses:
  - Medical expenses
  - Education expenses
  - Home improvement
  - Other: \_\_\_\_\_

### Title Transfer Benefits

- Payoff of a Contract for Deed OR Refinance of a lease option OR Removal OR buyout of co-borrower from title with court order or evidence that the co-borrower no longer resides at the property.

### PREPARER

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name: \_\_\_\_\_

### 2<sup>ND</sup> REVIEWER

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name: \_\_\_\_\_

# Tangible Net Benefit Worksheet (Cont.)

## BORROWER CERTIFICATION

I / We plan to enter into a transaction which will refinance one or more existing mortgage loan(s) with a new mortgage loan secured by my / our home as detailed above. I / We understand the following: There are costs associated with my / our new loan and my / our new loan will have different terms (including duration) than my / our existing loan(s); under current law, the Lender has to make sure that I / we have determined that my / our new loan will provide reasonable, tangible net benefit to me /us after taking into account the terms of both the new and existing loans, the cost of the new loan, and my / our own circumstances; the Lender is making this loan to me / us in reliance upon the representations made in this Statement of Borrower Benefits.

I / We have considered the terms of both the existing and new loans, the cost of the new loan and my / our personal circumstances. I / We believe the overall benefits of the new loan make the loan beneficial to me / us. I / We have determined that it would be beneficial to me / us to refinance my / our existing loan(s) with this new loan for the reason or reasons identified above. I / We certify that I / we have read and that I / we understand this Statement of Borrower's Benefits and that I / we have had the chance to ask any questions about it that I / we may have, and that this Statement is true and correct. I / We have also been given the opportunity prior to signing to have an attorney of my / our choosing review this Statement.

It is my / our intention that this Statement is a waiver of any claims that I / we may have against the Lender for any claim that the loan we are receiving violates any Fairness in Lending Act as it relates to the tangible benefit that I / we are receiving in regard to this loan.

## BORROWER ACKNOWLEDGMENT

### Borrower 1

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name: \_\_\_\_\_

### Borrower 2

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name: \_\_\_\_\_

### Borrower 3

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name: \_\_\_\_\_

### Borrower 4

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name: \_\_\_\_\_