

BORROWER(S) BENEFIT WORKSHEET

The following worksheet **MUST be used on all applicable Rate and Term Refinance transactions notated below.** Additional information may be provided on supplemental sheets, if necessary. This form **MUST** be retained in the mortgage loan file.

Loan Number:	Borrower Name(s): _____
Lender:	Property Address: _____

LOAN INFORMATION		
	NEW LOAN	PREVIOUS LOAN
Loan Date		
Loan Amount	\$	\$ <input type="checkbox"/> Original Loan Amount <input type="checkbox"/> Payoff Amount, if original amount unknown
Loan Term (months)		
Type of Loan (check one)	<input type="checkbox"/> Fixed Rate <input type="checkbox"/> Interest Only <input type="checkbox"/> Balloon <input type="checkbox"/> Adjustable Rate	<input type="checkbox"/> Fixed Rate <input type="checkbox"/> Interest Only <input type="checkbox"/> Balloon <input type="checkbox"/> Adjustable Rate <input type="checkbox"/> Payment Option Product
Current Note Rate	%	%

The borrower will receive the following described benefit(s) (one minimum, but check all that apply):

CASH-OUT BENEFITS

<input type="checkbox"/> The borrower will receive cash-out through a refinance of a property that is free and clear of any existing liens. <input type="checkbox"/> The borrower will receive cash-out from the new loan to pay necessary expenses*: <input type="checkbox"/> Medical expenses <input type="checkbox"/> Education expenses <input type="checkbox"/> Home improvement <input type="checkbox"/> Other:
*Cash out must be equal to or greater than 1½ times the amount of Total Closing Costs listed on the Good Faith Estimate plus the amount of the prepayment penalty on the old loan.

TITLE TRANSFER BENEFITS

<input type="checkbox"/> 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).

PRODUCT / LOAN TERMS CHANGE

Refinance to an improved product / loan terms such as: <input type="checkbox"/> Convert from an ARM to a fixed rate <input type="checkbox"/> Eliminate future balloon payment obligation <input type="checkbox"/> Extend term to decrease payment <input type="checkbox"/> Refinance an Interest Only or Payment Option ARM loan into a fully amortized mortgage that provides for principal reduction with each payment <input type="checkbox"/> Refinance an ARM that is approaching the interest rate reset date <input type="checkbox"/> Shorten loan term to accelerate principal reduction <input type="checkbox"/> Other:
--

FINANCIAL IMPROVEMENT

<input type="checkbox"/> Cure delinquent mortgage or other debts <input type="checkbox"/> Refinance to lower LTV (Ability to remove mortgage insurance by lowering loan-to-value)
Financial Benefit Worksheet must be completed if either box below is checked <input type="checkbox"/> Debt consolidation/reduced monthly payment (Borrower must recoup the total cost within 4 years) <input type="checkbox"/> Refinance to lower interest rate with same or reduced term. (Borrower must recoup the total cost within 4 years)

CERTIFICATION:

Based on the loan information and benefits previously indicated, I certify that the proposed loan would result in a tangible benefit to the borrower(s) considering all of the circumstances reflected in the loan file, the terms of both the new and refinanced loans (if any), the cost of the new loan, and the borrower's specific situation.

 Signature

 Position
 Date: _____

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

 Second Reviewer Signature

 Title/Position
 Date: _____

Financial Benefit Worksheet

(Required only if third or fourth box is checked under “Financial Improvement” on page 1)

A. Cost of New Loan – Include *all* borrower-paid charges, except prepaid and escrow account deposits for taxes and insurance:

	\$ _____
	\$ _____
	\$ _____
	\$ _____
	\$ _____
	\$ _____
	\$ _____
	\$ _____
	\$ _____
	\$ _____
	\$ _____
	\$ _____
	\$ _____
	\$ _____
	\$ _____
	\$ _____

SUBTOTAL “COST OF NEW LOAN” \$ _____ (A)

B. Plus all prepayment penalties incurred by the borrower on the loan to be refinanced + \$ _____ (B)

C. Minus any lender, i.e., new lender, credit - \$ _____ (C)

D. Total “Cost of New Loan” – Add subtotals for A, B and subtract C \$ _____ (D)

E. Monthly Savings, if applicable:

Previous Monthly Mortgage Payment (P&I)*	\$ _____
Minus New Monthly Mortgage Payment(P&I)**	- \$ _____

Monthly Savings \$ _____ (E)

TEST

Determine number of months to recoup total costs of new loan

F. Total “Cost of New Loan” (D) divided by Monthly Savings (E) \$ _____ months (F)

- If “F” is equal to or less than 48 months, then the borrower will recoup the costs of refinancing within 4 years. (Conventional and FHA Refinance Only (Not applicable for FHA Streamline Refinances))
- If “F” is equal to or less than 36 months, then the borrower will recoup the costs of refinancing within 3 years. (VA IRRRL Only (Not applicable for Cash Out & Rate Term guidelines refinances))

*For an ARM loan, use the current monthly payment amount

**For an ARM loan, calculate the new monthly payment based on the fully indexed rate or the note rate, whichever is higher