

Net Tangible Benefit Worksheet

No creditor may engage in the unfair act or practice of flipping a home loan. Flipping may occur when a creditor refinances an existing home loan that was consummated within the prior five years when the new loan does not provide a reasonable, tangible net benefit to the borrower. This tangible benefit must consider all of the circumstances. In addition, the home loan financing transaction could be presumed to be flipping where a home loan refinances an existing home loan that was consummated within the previous five years that is a special mortgage originated, subsidized, or guaranteed by or through a state, tribal, non profit organization or local government which either bears a below market interest rate at the time the loan was originated or has nonstandard payment terms beneficial to the borrower. These nonstandard payment terms may included the following: payments that vary with income, or are limited to a percentage of income or where no payments are required under specified conditions and where, as a result of the refinancing, the borrower will lose on or more of the benefits of the special mortgage.

The following worksheet will be used in determining the borrower’s tangible net benefit(s) as the benefit relates directly to the new loan extended.

Originating Company: _____
 Originating Company License #: _____
 Originator Name: _____
 Borrowers Name: _____
 Property Address: _____

Loan Information

	New Loan	Previous Loan
Loan Date		
Loan Amount		
Loan Term		
Type of Loan		
Interest Rate		
Principal and Interest		
Taxes and Insurance		
Mortgage Insurance		
Pre-Payment Penalty		
Special Loan as describe above		
Broker/Lender		
Servicer		

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Non-Standard Terms that benefit borrower ____ Yes (if yes, provide explanation) ____ No

Below Market Interest Rate ____ Yes ____ No

I (we), the borrower(s) acknowledge that we will receive the following tangible benefit(s) from the execution of this proposed new loan:

- Lower interest rate to ____% from ____%
Reduce monthly principle and interest payment to \$_____ from \$_____
Shorten loan term to _____ years to _____ years
Convert current adjustable rate mortgage to a fixed rate loan
Convert balloon loan to a fixed rate loan
Remove mortgage insurance by lowering my loan-to-value (LTV)
Consolidate my first and second mortgages
Debt consolidation - Explain benefit: _____
Home Improvement - Explain benefit: _____
Cash Out - Explain benefit: _____
Other - Explain: _____

Borrower Certification:

I (we) understand that my (our) loan broker/lender is verifying that I (we) are receiving a reasonable, tangible net benefit by refinancing this loan. I (we) affirm that I (we) entered into this transaction of our own free will and that tangible net benefit of the new loan has been explained. Finally, I (we) understand and confirm the benefits.

Borrower Signature Date

Co-Borrower Signature Date

The undersigned Loan Officer certifies the information provided herein is true and complete, and understands that UGMC shall rely on the information provided in making its decision regarding the application.

Loan Officer Signature Date

Loan Officer Printed Name