

Maryland Tangible Net Benefit Worksheet

Code of Maryland Regulations

Title 09. Department of Labor, Licensing, and Regulation

Subtitle 03. COMMISSIONER OF FINANCIAL REGULATION

Chapter 09.03.06. Mortgage Lenders

Borrower Name: _____

Co-Borrower (if Applicable) _____

Property Address: _____

Loan Number: _____

Date: _____

Please complete the questions below and include a copy of this worksheet in the loan file.

1. Will it take longer than 48 months for the borrower to recoup the costs associated with the loan (based on total monthly debt payment savings)? Yes ____ No ____
2. Is this a refinance of a loan that was originated less than 12 months ago? Yes ____ No ____
3. Is this loan refinancing the prepayment penalty due on the loan being refinanced? Yes ____ No ____
4. Could this loan result in negative amortization? Yes ____ No ____
5. Is the interest rate on this loan higher than the rate on the loan being refinanced? Yes ____ No ____
6. Is the borrower’s mortgage payment increasing? Yes ____ No ____
7. Is this loan refinancing a fixed rate to an ARM, balloon or negative amortization product? Yes____ No____
8. Is this a refinance of a “special mortgage” (i.e. Habitat for Humanity, state bond program, etc.)? Yes____ No____
9. Is the maturity term of this loan greater than the original term of the loan being refinanced? Yes ____ No ____

If the answer to any of the above questions is Yes, please explain below how the loan is a benefit to the borrower:

Name of person completing this worksheet: _____

Lender/Broker Company Name: _____

Date Completed: _____

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I/We, the undersigned borrower(s), plan to enter into a transaction which refinances one or more existing loans with a new mortgage loan secured by my/our home located at:

I/We acknowledge that:
☐ I/We understand the costs associated with the new loan;
☐ The new loan may have different terms (including duration of term and rate of interest) than my/our existing loan(s); and,
☐ The new loan will provide a reasonable, tangible net benefit to me/us after taking into account the terms of both the new and existing loan(s), the cost of the new loan, and my/our particular circumstances

By refinancing my/our existing loan(s), the following benefits apply to me/us (each borrower should initial any benefit that applies):

- Obtaining a lower interest rate.
- Obtaining a lower monthly payment, including principal, interest, taxes, and insurance.
- Obtaining a shorter amortization schedule.
- Changing from an adjustable rate to a fixed rate.
- Eliminating a negative amortization feature.
- Eliminating a balloon payment feature.
- Receiving cash-out from the new loan in an amount greater than all closing costs incurred in connection with the new loan.
- Avoiding Foreclosure
- Eliminating private mortgage insurance
- Consolidating other existing loans into a new mortgage loan.
- Other (please specify):

BORROWER CERTIFICATION:
I understand that my broker and/or lender must show that I have received a reasonable, tangible net benefit by refinancing this loan or obtaining an additional loan on my property. I affirm that the tangible net benefit of my new loan has been explained. Finally, I understand and confirm the benefit.

Signature

Date

Signature

Date