

MAINE

Anti-Flipping / Tangible Net Benefit Worksheet

Maine Rev. Stat. tit. 9-A§8-506(5)

Maine Code Regs. 030-029-5(A)(b1-6)-G

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:

Attachment “A” to the Reasonable, Tangible Net Benefit and Ability to Pay Rule,
reflecting changes necessitated by Public Law 2009, Chapter 362,
“An Act to Conform State Mortgage Laws with Federal Laws”

STATE OF MAINE - REASONABLE, TANGIBLE NET BENEFIT DISCLOSURE FORM)

This disclosure is being provided to pursuant to Maine’s residential mortgage lending laws. The law protects borrowers from certain loan brokering and lending practices. One of the prohibited practices is known as “flipping a residential mortgage loan when making a higher-priced mortgage loan.”

WHAT IS FLIPPING? “Flipping” is the making of a higher-priced mortgage loan (the “new loan”) to a borrower who refinances anexisting residential loan when the new loan does not result in a “reasonable, tangible net benefit” to the borrower.

BASED UPON THE REVIEW BY THE LENDER, AND THE MORTGAGE BROKER, IF ONE IS USED, OF ALL OF THE CIRCUMSTANCES RELATED TO THE NEW LOAN AND ANY DEBTS TO BE PAID FROM THE PROCEEDS OF THE NEW LOAN, THE NEW LOAN PROVIDES A REASONABLE, TANGIBLE NET BENEFIT TO YOU AS FOLLOWS:

	Loan Information New Loan	Previous Loan
Monthly payment amount:		
Length of repayment period:		
Amount of cash out (or paid to others)		
Type of Loan	Fixed Rate ____ Adjustable Rate_____ Balloon_____	Fixed Rate_____ Adjustable Rate_____ Balloon_____
Interest rate or weighted average interest rate		
Bona fide personal need, as reasonably determined by the borrower?	Yes_____ No_____	

LOAN ORIGINATOR TO COMPLETE:

The borrower received the following reasonable, tangible net benefit from the new loan (include bona fide personal need, if applicable):

Signature

Date

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

FLCBank
Maine Tangible Net Benefit Worksheet
Revised: 05/19/21