

# Ohio Tangible Net Benefit Disclosure

Ohio Rev. Code 1345.031(b) (12)

Ohio Admin. Code 109:4-3-26 (E)

Borrower Name: \_\_\_\_\_

Co-Borrower Name : \_\_\_\_\_

Property Address: \_\_\_\_\_

Loan Number: \_\_\_\_\_

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

Code 1345.031(b) (12). states that a creditor shall not knowingly or intentionally engaging in the act or practice of “flipping” a mortgage loan. “Flipping” a mortgage loan is making a mortgage loan that refinances an existing mortgage loan when the new loan does not have reasonable, tangible net benefit to the consumer considering all of the circumstances, including the terms of both the new and refinanced loans, the cost of the new loan, and the consumer’s circumstances. This provision applies regardless of whether the interest rate, points, fees, and charges paid or payable by the consumer in connection with the refinancing exceed any thresholds specified in any section of the Revised Code.

Code 109:4-3-26 (E), All records, worksheets, and supporting documentation used by the supplier in determining the “reasonable, tangible net benefit” of a new loan that is a refinancing of the consumer’s existing loan shall be maintained by that supplier in the consumer’s loan file for each residential mortgage loan transaction for a period of a least two years from the date of closing, or as required by other applicable state or federal law, whichever time period is greater. Records required to be maintained by this rule may be retained in an electronic format.

1. Is this a refinance that meets the state specific criteria above?

**If yes, continue completing the remainder of the worksheet. If no, please include a copy of this worksheet in the file indicating the answer to question number one is No.**

2. 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 \_\_\_\_

3. Is this a refinance of a loan that was originated less than 12 months ago? Yes \_\_\_\_ No \_\_\_\_

4. Is this loan refinancing the prepayment penalty due on the loan being refinanced? Yes \_\_\_\_ No \_\_\_\_

5. Could this loan result in negative amortization? Yes \_\_\_\_ No \_\_\_\_

6. Is the interest rate on this loan higher than the rate on the loan being refinanced? Yes \_\_\_\_ No \_\_\_\_

7. Is the borrower’s mortgage payment increasing? Yes \_\_\_\_ No \_\_\_\_

8. Is this loan refinancing a fixed rate to an ARM, balloon or negative amortization product? Yes\_\_\_\_ No\_\_\_\_

9. Is this a refinance of a “special mortgage” (i.e. Habitat for Humanity, state bond program, etc.)? Yes\_\_\_\_ No\_\_\_\_

10. 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:** \_\_\_\_\_