

Loan Number: _____

Borrower(s): _____ Co- Borrower(s): _____

FHA Case Number: _____

Property Address: _____

The underwriter must determine there is a documented net tangible benefit to the Borrower(s) per the standards in the charts below for all Streamline Refinance transactions. A Net Tangible Benefit is:

- A reduced Combined Rate (refers to the interest rate on the mortgage plus the MIP rate),
- A change from an ARM to a fixed rate Mortgage, and/or
- A reduced term* that results in a financial benefit to the Borrower.

Note: *Reduction in Term refers to the reduction of the remaining amortization period of the existing Mortgage.

Net Tangible Benefit Standard for Streamline Refinances without a Term Reduction or with a Term Reduction of less than Three (3) Years

From Amortization Type	To		
	Fixed Rate New Combined Rate	One-Year ARM New Combined Rate	Hybrid ARM New Combined Rate
Fixed Rate Refinance	At least 0.5% points below the prior Combined Rate.	At least 2% points below the prior Combined Rate.	At least 2% points below the prior Combined Rate.
Any ARM with Less Than 15 Months to next payment change date	No more than 2% points above the prior Combined Rate.	At least 1% point below the prior Combined Rate.	At least 1% point below the prior Combined Rate.
Any ARM With Greater Than or Equal to 15 Months to Next Payment Change Date	No more than 2% points above the prior Combined Rate.	At least 2% points below the prior Combined Rate.	At least 1% point below the prior Combined Rate.

The Lender must determine that there is a net tangible benefit to the Borrower meeting the standards in the applicable chart below for Streamline Refinance transactions without a reduction in term, or with a reduction in term of less than 3 years.

	Current Mortgage	Proposed Mortgage
Interest Rate	\$	\$
MIP Rate	\$	\$
Combined Rate	%	%
Combined Rate Difference		%

Test	Net Tangible Benefit Test	Results	Criteria
	Any ARM with < 15 Mo’s to Payment Change to Fixed Rate		New Combined Rate no more than 2% above prior Combined Rate
	Any ARM with ≥ 15 Mo’s to Payment Change to Fixed Rate		
	Fixed Rate to Fixed Rate		New Combined Rate at least 0.5% below the prior Combined Rate
	Fixed Rate to 1 year ARM		New Combined Rate at least 2% below the prior Combined Rate
	Any ARM with ≥ 15 Mo’s to Payment Change to 1 year ARM		
	Fixed Rate to Hybrid (Fixed) ARM		
	Any ARM with < 15 Mo’s to Payment Change to 1 year ARM		New Combined Rate at least 1% below the prior Combined Rate
	Any ARM with 15 < Mo’s to Payment Change to Hybrid (Fixed) ARM		
	Any ARM with ≥ 15 Mo’s to Payment Change to Hybrid (Fixed) ARM		

Net Tangible Standards for Streamline Refinances with a Term Reduction of three (3) years or more

From Amortization Type →	To		
	Fixed Rate New Combined Rate	One-Year ARM New Combined Rate	Hybrid ARM New Combined Rate
Fixed Rate Refinance	Below the prior Combined Rate.	N/A	N/A
Any ARM with Less Than 15 Months to next payment change date	No more than 2% points above the prior Combined Rate.	N/A	N/A
Any ARM With Greater Than or Equal to 15 Months to Next Payment Change Date	No more than 2% points above the prior Combined Rate.	N/A	N/A

The Lender must determine that there is a net tangible benefit to the Borrower meeting the standards per the applicable chart below; also, the combined principal, interest, and Monthly MIP payment of the new Mortgage must not exceed the combined principal, interest, and Monthly MIP payment of the refinanced Mortgage by more than \$50.

	Current Mortgage	Proposed Mortgage
Amortization Type		
Amortization Term		
	Current Mortgage	Proposed Mortgage
Principal and Interest	\$	\$
Monthly Mortgage Insurance	\$	\$
Total	\$	\$
Difference	\$	

	Current Mortgage	Proposed Mortgage
Interest Rate	\$	\$
MIP Rate	\$	\$
Combined Rate	%	%
Combined Rate Difference		%

Test	Net Tangible Benefit Test	Results	Criteria
	Any ARM with < 15 Mo’s to Payment Change to Fixed Rate		New Combined Rate no more than 2% above prior Combined Rate
	Any ARM with ≥ 15 Mo’s to Payment Change to Fixed Rate		
	Fixed Rate to Fixed Rate		New Combined Rate must be below the prior Combined Rate
	Reduction in Term		The Mortgage term is reduced; the combined principal, interest, and Monthly MIP payment of the new Mortgage must not exceed the combined principal, interest, and Monthly MIP payment of the refinanced Mortgage by more than \$50.