

# VA Guaranteed Home Loan Cash-Out Refinance Comparison Certification

## PROPOSED REFINANCE LOAN

*Sections I through III should be completed within 3 business days of the loan application. Please note that the information provided in these sections represent an **estimate** of the refinance loan and its impact.*

### Section I – PROPOSED REFINANCE LOAN COMPARISON

(This section to be completed by the Lender. Please refer to instructions for more information.)

Loan Application Date: \_\_\_\_\_

|  | <u>EXISTING LOAN</u> | <u>PROPOSED LOAN</u> | <u>ESTIMATED<br/>IMPACT OF<br/>REFINANCE</u> |
|--|----------------------|----------------------|--|
| VA Loan Number (LIN)                         | _____                | _____                |  |
| Loan Balance                                 | \$ _____             | \$ _____             | \$ _____                                     |
| Monthly Payment                              | \$ _____             | \$ _____             | \$ _____                                     |
| Remaining Term (months)                      | _____                | _____                | _____  |
| Loan Type                                    | _____                | _____                | N/A  |
| Interest Rate                                | _____ %              | _____ %              | _____ %                                      |
| Total of the Remaining<br>Scheduled Payments | \$ _____             | \$ _____             | \$ _____                                     |
| Loan-to-Value Percentage                     | _____ %              | _____ %              | _____ %                                      |
| Home Equity Remaining                        | \$ _____             | \$ _____             | \$ _____                                     |

### Section II – NET TANGIBLE BENEFIT FOR PROPOSED REFINANCE LOAN

(This section to be completed by the Lender. Please refer to instructions for more information.)

To the best of my knowledge, I,  [insert Lender name] , have determined that the proposed refinance loan outlined in Section I meets the following net tangible benefits (check all that apply):

- The new loan eliminates monthly mortgage insurance, whether public or private, or monthly guaranty insurance
- The term of the new loan is shorter than the term of the loan being refinanced
- The interest rate on the new loan is lower than the interest rate on the loan being refinanced
- The payment on the new loan is lower than the payment on the loan being refinanced
- The new loan results in an increase in the borrower's monthly residual income as explained by 38 CFR 36.4340(e)
- The new loan refinances an interim loan to construct, alter, or repair the primary home
- The new loan amount is equal to or less than 90 percent of the reasonable value of the home
- The new loan refinances an adjustable rate mortgage to a fixed rate loan

### Section III – BORROWER CERTIFICATION FOR PROPOSED REFINANCE LOAN

I/We hereby certify that I/we understand the estimated effect the proposed refinancing has on my loan balance, payments, interest rate, term, total payback of payments, and remaining equity in my home should I/we accept a refinance loan.

**Borrower** \_\_\_\_\_

**Date:**

**Co-Borrower** \_\_\_\_\_

**Date:**

**FINAL REFINANCE LOAN**

Sections IV through VII should be completed at or before the closing of the refinance loan.

**Section IV – FINAL REFINANCE LOAN COMPARISON**

(This section to be completed by the Lender. Please refer to instructions for more information.)

|   | <u>EXISTING LOAN</u> | <u>NEW LOAN</u> | <u>IMPACT OF REFINANCE</u> |
|---|----------------------|-----------------|----------------------------|
| VA Loan Number (LIN)                      | _____                | _____           |                            |
| Loan Balance                              | \$ _____             | \$ _____        | \$ _____                   |
| Monthly Payment                           | \$ _____             | \$ _____        | \$ _____                   |
| Remaining Term (months)                   | _____                | _____           | _____                      |
| Loan Type                                 | _____                | _____           | N/A                        |
| Interest Rate                             | _____ %              | _____ %         | _____ %                    |
| Total of the Remaining Scheduled Payments | \$ _____             | \$ _____        | \$ _____                   |
| Loan-to-Value Percentage                  | _____ %              | _____ %         | _____ %                    |
| Home Equity Remaining                     | \$ _____             | \$ _____        | \$ _____                   |

**Section V – REFINANCE CLOSING SUMMARY**

(This section to be completed by the Lender. Please refer to instructions for more information.)

Amount of Cash Directly Disbursed to Borrower(s): \$ \_\_\_\_\_

Payoffs Disbursed, Excluding Mortgages, on Behalf of Borrower(s): \$ \_\_\_\_\_

Amount of Increase in Total Paid Over Life of Loan: \$ \_\_\_\_\_

**Section VI – NET TANGIBLE BENEFIT FOR FINAL REFINANCE LOAN**

(This section to be completed by the Lender. Please refer to instructions for more information.)

I,  [insert Lender name] , have determined that the new refinance loan outlined in Section IV meets the following net tangible benefits (check all that apply):

- The new loan eliminates monthly mortgage insurance, whether public or private, or monthly guaranty insurance
- The term of the new loan is shorter than the term of the loan being refinanced
- The interest rate on the new loan is lower than the interest rate on the loan being refinanced
- The payment on the new loan is lower than the payment on the loan being refinanced
- The new loan results in an increase in the borrower’s monthly residual income as explained by 38 CFR 36.4340(e)
- The new loan refinances an interim loan to construct, alter, or repair the primary home
- The new loan amount is equal to or less than 90 percent of the reasonable value of the home
- The new loan refinances an adjustable rate mortgage to a fixed rate loan

**Section VII – BORROWER CERTIFICATION FOR FINAL REFINANCE LOAN**

I/We hereby certify that I/we understand the effect refinancing has on my loan balance, payments, interest rate, term, total payback of payments, and remaining equity in my home should I/we accept a refinance loan.

**Borrower** \_\_\_\_\_

**Date:**

**Co-Borrower** \_\_\_\_\_

**Date:**

SAMPLE CERTIFICATION