

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.)

Loan Application Date: _____

	<u>EXISTING LOAN</u>	<u>PROPOSED LOAN</u>	<u>ESTIMATED 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 II – NET TANGIBLE BENEFIT FOR PROPOSED REFINANCE LOAN

(This section to be completed by the Lender.)

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.)

	<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.)

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.)

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