South Carolina Tangible Net Benefit Worksheet

Loan #:

Borrower's Name:

Loan Number:

If this is a refinance of the Borrower's ***primary residence***, continue in completing this worksheet. If it is not, please mark the box indicating this is not a refinance of the Borrower's primary residence, complete the last line on the worksheet and include a copy of the worksheet in the file.

☐ This is not a refinance of the Borrower's ***primary residence***.

Under the South Carolina High-Cost and Consumer Home Loan Act, "flipping" means a consumer home loan that refinances an existing consumer home loan within 42 months when the new loan does not have a reasonable tangible net benefit to the Borrower, considering all the circumstances. If this is a refinance of a "special mortgage" (i.e. Habitat for Humanity, state bond program, etc.) and if, as a result of the refinance, the Borrower loses one or more of the advantages of the "special mortgage", there is no tangible benefit.

A rebuttable presumption of reasonable, tangible, net benefit to the Borrower exists when (but not limited to) ***one*** of the following exists.

• At the time of consummation, the Borrower's DTI ratio (including the new loan payments) does not exceed 50%, as verified by tax returns, payroll receipts or other third-party income verification.	☐
• The Borrower's monthly payment on the new consolidated debt is a minimum of 20% lower than the total of all monthly obligations being financed, taking into account costs and fees.	☐
• There is a beneficial change for the Borrower in the duration of the loan.	☐
• The Borrower receives a reasonable amount of cash in excess of and in relation to the cost and fees as part of the refinancing.	☐
• The note rate of interest is reduced by at least 2.0%.	☐
• There is a change from an adjustable rate to a fixed rate loan, taking into account costs and fees, ***and*** the costs can be recouped within 2 years.	☐
• The Borrower is able to recoup the costs of refinancing the loan within 2 years ***and*** reduces the interest rate by 2.0% ***or*** the term of the loan by a minimum of 5 years.	☐

Please indicate which of the above applies to this loan. If *none* of the statements apply, continue in completing the worksheet.

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 neg am? Yes ☐ No ☐
8. 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:

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S.C. Code §§ 37-23-20(8) & 37-23-70(A)

Name of person completing this worksheet: ____