

**SOUTH CAROLINA TANGIBLE NET BENEFIT WORKSHEET**

**BORROWER'S NAME:**

**LOAN NUMBER:**

If this is a refinance of the Borrower's *primary residence*, continue to complete this worksheet. If not, please mark the box indicating that this is not a primary residence, sign the worksheet below, and keep a copy in the file.

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

Under the South Carolina High-Cost and Consumer Home Loans Act, "flipping" means a consumer home loan that refinances an existing consumer home loan with 42 months, when the new loan does not have a reasonable tangible net benefit to the borrower, considering all 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 advantages of the "special mortgage", there is no tangible benefit.

A presumption of reasonable, tangible net benefit to the borrower exists when, but not limited to, one of the following exists. Mark any that apply to this loan.

At the time of consummation, the borrower's DTI on the new loan does not exceed 50%, as verified by tax returns, paystubs, or third-party Verifications of Employment.

The interest rate is reduced by at least 2.0%.

This is a change from Adjustable to fixed rate, *and*, considering all costs and fees, the borrower can recoup the cost of the refinance within two years.

The borrower receives a reasonable amount of cash in relation to the total closing costs.

The borrower can recoup the costs of refinancing the loan within two years, *and* reduces the interest rate by 2.0% *or* reduces the term of the loan by a minimum of five years.

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, including all costs and fees.

There is a beneficial change for the borrower in the duration of the loan.

If *none of the above* applies to this loan, please answer the following questions:

- |     |    |  |
|-----|----|--|
| YES | NO | Will it take longer than 48 months for the borrower to recoup the costs associated with the loan, based on the total monthly debt payment savings? |
| YES | NO | Is this a refinance of a loan that was originated less than 12 months ago?   |
| YES | NO | Is this loan refinancing a prepayment penalty due on the loan being paid off?  |
| YES | NO | Could this loan result in negative amortization?   |
| YES | NO | Is the interest rate on this loan higher than the rate on the loan being refinanced?   |
| YES | NO | Is the borrower's mortgage payment increasing?   |
| YES | NO | Is this loan refinancing a fixed rate to an ARM, a balloon, or negative amortization?  |
| YES | NO | Is the maturity term of the loan greater than the original term of the loan being refinanced?  |

If the answer to any of the above questions is *YES*, please explain below how the loan is of benefit to the borrower:

Person completing this worksheet: \_\_\_\_\_