BENEFIT TO BORROWER WORKSHEET

This form must accompany any owner-occupied refinance transaction sold to Nations Direct Mortgage

Use state specific worksheets as well as this worksheet where required.

LOAN NUMBER:_____   Borrower Name:_____

PLEASE CHECK THE BOX WHICH DEMONSTRATES THE APPROPRIATE BENEFIT TO THE BORROWER

☐	**Balloon Payoff**: Refinance of a loan with a balloon payment due within one year upon maturity. (e.g. balloon mortgage, construction loan, bridge loan, etc.)
☐	**Title Transfer:** Payoff a contract for deed; OR Refinance of a lease option; OR Removal/buyout of co-borrower from title with court order or evidence that the co-borrower no longer resides at the property.
☐	**Property Retention:** Refinance cures delinquent debt(s) secured by the subject property that could result in the loss of the property. (e.g. tax liens, etc.)
☐	**Rate Reduction:** Refinance lowers the borrower's rate on the largest real estate loan being refinanced by a minimum of 0.50% (50bps). Rate reduction is measured as the difference between the interest rate of the prior loan and the APR of the new loan.

☐	**P & I Reduction:**	
	Prior Loan has a "Nonprime" interest rate	P & I payments are lowered by at least <u>10%</u> and Closing Costs are recouped within <u>60</u> months.
	Prior Loan has a "Prime" interest rate	P & I payments are lowered by at least <u>20%</u> and Closing Costs are recouped within <u>36</u> months.
☐	**Debt Reduction:**	
	Prior Loan has a "Nonprime" interest rate	Monthly debt payments are lowered by at least <u>10%</u> and Closing Costs are recouped within <u>60</u> months.
	Prior Loan has a "Prime" interest rate	Monthly debt payments are lowered by at least <u>20%</u> and Closing Costs are recouped within <u>36</u> months.

☐	**Uncontrolled Cash Out:** Refinance provides borrower with new cash of at least the greater of $10,000 or two times the Closing Costs of the transaction.

Notes	1. Closing Costs: <u>excludes</u> prepaid items (e.g. taxes, insurance, interest) and <u>includes</u> prepayment penalties from the prior loan.
	2. '"Nonprime" interest rate: a rate in excess of the current Federal HPML threshold
	3. "Prime" interest rate: a rate equal to or less than the current Federal HPML threshold
	4. Months to Recoup Closing Costs = Closing Costs / Monthly Payment Difference