

# MASSACHUSETTS MORTGAGE LOAN BENEFIT WORKSHEET

Borrower Names: \_\_\_\_\_  
Loan #: \_\_\_\_\_

Is this a loan secured by non-owner occupied property located in Massachusetts?  Yes  No

Was the application received prior to November 7, 2004?  Yes  No

Was the current loan consummated more than 60 months before the lender received the application\* for the new loan as well as to pay off other debts incurred within the 60 months prior to the date the lender received the application?  Yes  No

Is the loan guaranteed by FHA or VA?  Yes  No

For close-end loans, is the APR at time of consummation less than or equal to 2.5% (first liens) or 3.5% (second liens) above the yield on Treasury securities having comparable periods of maturity\* to the loan maturity as of the fifteenth day of the month immediately preceding the month in which the application\*\* is received by the lender?  Yes  No  N/A

For open-end loans, is the margin less than or equal to one?  Yes  No  N/A

\*Obtain the Treasury Constant Maturities Yield from the Federal Reserve Board's Statistical Release, H-15 – Selected Interest Rates (the "Business" links will display daily yields). <http://www.federalreserve.gov/releases/H15//data.htm> Use the yield that has the most comparable maturity to the loan term and is from the 15<sup>th</sup> day of the month that immediately precedes the month in which the application was taken. If the 15<sup>th</sup> is not a business day, use the yield for the business day immediately preceding the 15<sup>th</sup>. If the loan term is exactly halfway between two published security maturities, use the lower of the two yields. If a mortgage loan has a term of 30 years, and the H-15 does not contain a yield for 30-year constant maturities, but contains a yield for 20-year constant maturities, and an average yield for securities with remaining terms to maturity of 25 years and over, use the yield for 20-year *constant maturities*.

\*\* The application date is the date the creditor receives the application, not the date the broker receives the application

**If the answer is "yes" for any of the above questions, discontinue the review. If you did not answer yes to any of the above questions, go on to page 2.**

## BORROWER'S INTEREST DETERMINATION

LOAN INFORMATION			
<b>Loan Date</b>	<u>NEW LOAN</u>	<u>PREVIOUS LOAN</u>	<p><b>The borrower must receive a minimum of one of the following described benefit(s) through a refinancing of an existing loan:</b></p> <ul style="list-style-type: none"> <li>Cash-Out Benefits or Title Transfer Benefits</li> <li>Product/Loan Term Change</li> <li>Financial Improvement</li> </ul>
CASH-OUT BENEFITS or TITLE TRANSFER BENEFITS			
<b>Loan Amount</b>  If Loan Amount of previous loan is unknown, you may substitute the Loan Payoff as long as it is clearly identified as such.	\$	\$	<p><b>Cash Out Benefits:</b></p> <input type="checkbox"/> The borrower will receive cash-out from the new loan to pay necessary expenses <input type="checkbox"/> Medical expenses <input type="checkbox"/> Education expenses <input type="checkbox"/> Home improvement <input type="checkbox"/> Other: _____
<p><b>Cash out must be equal to or greater than 1½ times the amount of Total Closing Costs listed on the Good Faith Estimate plus the amount of the prepayment penalty on the old loan. Revalidate prior to loan closing with final Total Closing Costs on HUD-1.</b></p>			
<p><b>Title Transfer Benefits:</b></p> <input type="checkbox"/> Payoff of a contract for deed <b>or</b> refinance of a lease option <b>or</b> removal <b>or</b> buyout of co-borrower from title with court order or evidence that the co-borrower no longer resides at the property.			
PRODUCT / LOAN TERMS CHANGE			
<b>Loan Term (months)</b>			<p><b>Refinance to an improved product / loan terms such as:</b></p> <input type="checkbox"/> Converting from an ARM to a fixed rate <input type="checkbox"/> Converting from a balloon loan to a loan without a balloon payment <input type="checkbox"/> Extension of term to improve payment <input type="checkbox"/> Refinance of an Interest Only or Payment Option ARM loan into a fully amortized mortgage that requires principal reduction with each payment <input type="checkbox"/> Refinance of an ARM that is approaching the interest rate reset date into a new loan <input type="checkbox"/> Reduce loan term <input type="checkbox"/> Other: _____
<b>Type of Loan</b>	<input type="checkbox"/> Fixed Rate <input type="checkbox"/> Interest Only <input type="checkbox"/> Balloon <input type="checkbox"/> Adjustable Rate	<input type="checkbox"/> Fixed Rate <input type="checkbox"/> Interest Only <input type="checkbox"/> Balloon <input type="checkbox"/> Adjustable Rate <input type="checkbox"/> Payment Option Product	
<b>Current Note Rate</b>	%	%	
<b>(if ARM) Index and Margin and Date Initial Rate Expires</b>	Index: Margin:  months from the first payment date	Index: Margin:  Initial Rate Expires:	
<b>Special Mortgage (e.g. Habitat for Humanity loan)</b>	N/A	<input type="checkbox"/> Yes <input type="checkbox"/> No	
FINANCIAL IMPROVEMENT			
<b>Monthly Payment Amount</b>	\$	\$	<input type="checkbox"/> <b>Refinance to lower interest rate.</b> You must check all of the following boxes: <input type="checkbox"/> The borrower will recoup the costs of refinancing within two years (use the Financial Benefit Worksheet in Appendix A); AND <input type="checkbox"/> The interest rate* on the new loan is less than the interest rate on the old loan; AND Interest rate on new loan is _____ Interest rate on old loan is _____ <input type="checkbox"/> The term of the new loan is less than or equal to the term of the current loan.
<b>Cost of New Loan</b>		N/A	
<b>Loan to Value</b>			
<b>Prepayment Penalty</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	
<b>If Yes, Prepayment Penalty duration</b>			

and type (e.g., 3%, 3-2-1, 6 months advance interest on the amount prepaid in excess of 20% of the original principal amount, etc.)			* For ARM loans, use the fully indexed rate or the note rate, whichever is higher.
If Yes, amount of prepayment penalty	\$	\$	<input type="checkbox"/> <b>Debt consolidation/reduced monthly payment*</b> (Consolidating other high-rate loans and debts or multiple debts into a single low-rate loan, resulting in an overall monthly debt-service environment with a lower payment than the total of all monthly obligations being financed, taking into account all costs and fees on the loan, including prepayment penalties due on the current loan and yield spread premiums paid from the lender to the broker) <input type="checkbox"/> <b>Cure delinquent mortgage debts</b> (Debts secured by the subject property that could result in the loss of the property. For example: tax liens, judgment, bankruptcies, foreclosure, etc) <input type="checkbox"/> <b>Cure delinquent other debts</b> (Debts secured by autos or other personal property, unsecured debts, etc) <input type="checkbox"/> <b>Refinance to lower LTV</b> (Ability to remove mortgage insurance by lowering loan-to-value)
Debt to Income Level		N/A	
<b>NO BENEFIT</b>			
<input type="checkbox"/> <b>NO BENEFIT</b> If a benefit is not determined via the worksheet, loan must be sent to underwriting for denial or counteroffer			

**LENDER CERTIFICATION:**

Based on the loan information and benefits previously indicated, I certify that the proposed loan would result in a tangible benefit to the borrower(s) considering all of the circumstances reflected in the loan file, including the terms of both the new and refinanced loans (if any), the cost of the new loan, and the borrower's situation.

\_\_\_\_\_  
Signature  
\_\_\_\_\_  
Position

Date: \_\_\_\_\_

**Second review required if loan is a refinance of a "Special Mortgage," i.e., Habitat for Humanity, state bond program, etc.**

\_\_\_\_\_  
Second Reviewer Signature  
\_\_\_\_\_  
Title/Position

Date: \_\_\_\_\_  
(if required)

**BORROWER CERTIFICATION:**

I understand that a borrower's interest determination is not required because the new home loan meets one of the requirements on page one of this worksheet

I understand that a borrower's interest determination is required on my loan. When a borrower's interest determination is required, a lender may not knowingly refinance a home loan that was consummated within 60 months prior to the lender's receipt of an application for a home loan or other debt of the borrower unless the refinancing is in the borrower's interest. I understand that entering into a new mortgage loan transaction obligates me to repay a loan over an extended period of time, involves new loan costs and fees, will result in a lien against my property, and, to the extent that I am obtaining cash out, will decrease my equity in the property. However, I understand that the Lender has determined that this new mortgage transaction is in my interest for the reasons noted above.

I understand that Lender has relied upon information I provided for purposes of making this determination. I represent and warrant that all such information provided to Lender is true and correct in all respects. I have not made any untrue statement of a fact to Lender or omitted to state a fact necessary in order to make the statements made in light of the circumstances under which they were made, not misleading.

In the event I later allege that the Lender violated Section 28C of Chapter 183 of the Massachusetts General Laws, I agree to provide the Lender with a written demand for relief not less than thirty (30) days prior to the filing of such action, identifying myself and reasonably describing the alleged violation of that section.

Borrower : \_\_\_\_\_

Date : \_\_\_\_\_

Borrower : \_\_\_\_\_

Date : \_\_\_\_\_

Borrower : \_\_\_\_\_

Date : \_\_\_\_\_

Borrower : \_\_\_\_\_

Date : \_\_\_\_\_

