

## Net Tangible Benefit Test and Loan Comparison VA Cash Out Refinance

(Circular 26-18-30)

- This is the Initial NTB given at time of Application.  
 This is the Final NTB given at Closing.

Your lender must ensure that all cash out refinancings pass a Net Tangible Benefit test (NTB), which includes providing you, the Veteran, with the following information no later than the third business day after receiving your application, and again at closing:

**This refinancing loan must satisfy at least one of the following eight NTB tests:**

- 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.
- The new loan refinances an interim loan to construct, alter, or repair the 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 loan to a fixed rate loan.

**Below is a comparison of the key loan characteristics or terms for the existing and refinancing loans:**

	Refinance Loan	Existing Loan
(i) Loan Amount	_____ <small>(new loan amount)</small>	_____ <small>(payoff amount)</small>
(ii) Loan Type	_____	_____
(iii) Interest Rate	_____	_____
(iv) Loan Term	_____	_____
(v) Total of Payments	_____	_____
(vi) LTV	_____	_____

### REMOVAL OF HOME EQUITY AND ITS IMPACT ON VETERAN

We estimate there will be a removal of \_\_\_\_\_ in home equity as a result of this refinance.  
**NOTICE:** Refinancing your existing loan may remove home equity from your property. Home Equity is the difference in the value of your home less any mortgage loan balances owed. Reduction of home equity may affect your ability to sell your home in the future.

I/We hereby certify we received a copy of this disclosure.

\_\_\_\_\_  
Borrower

\_\_\_\_\_  
Date

\_\_\_\_\_  
Co-Borrower

\_\_\_\_\_  
Date

