

Net Tangible Benefit Test
VA Interest Rate Reduction Refinance
(Circular 26-18-13)

check
one

FIXED RATE LOAN

PREVIOUS LOAN:

NEW REFINANCE LOAN:

Fixed Interest Rate _____

Fixed Interest Rate _____ *

* This rate must be at least 1/2% (.50 or 50 basis points) less than the previous loan.

OR

ADJUSTABLE RATE LOAN

PREVIOUS LOAN:

NEW REFINANCE LOAN:

Fixed Interest Rate _____

Adjustable Interest Rate _____ **

** This rate must be at least 2% (2.00 or 200 basis points) less than the previous loan.

check as
applicable

DISCOUNT POINTS

Discount points charged and the new refinance loan will have an adjustable rate.

Any lower interest rate can not be produced solely from discount points unless
1. The points are paid at closing and

a. For discount point amounts that are less than or equal to one discount point, the resulting loan balance after any fees and expenses allows the property with respect to which the loan was issued to maintain a loan-to-value ratio of 100 percent or less.

OR

b. For discount point amounts that are greater than one discount point, the resulting loan balance after any fees and expenses allows the property with respect to which the loan was issued to maintain a loan-to-value ratio of 90 percent or less.

No discount points

The lender (including broker or lender's agent) does hereby certify providing this test to borrower(s).

Lender

Date

I/We hereby certify that I/We understand the effect of the loan payment and interest rate involved in refinancing our home loan.

Borrower

Date

Co-Borrower

Date

