



CASH OUT REFINANCE LOAN COMPARISON

PRIVACY ACT NOTICE: VA will not disclose information collected on this form to any source other than what has been authorized under the Privacy Act of 1974 or Title 38, Code of Federal Regulations 1.576 for routine uses (i.e., to a member of Congress inquiring on behalf of a borrower) as identified in the VA system of records, 55VA26, Loan Guaranty Home, Condominium and Manufactured Home Loan Applicant Records, Specially Adapted Housing Applicant Records, and Vendee Loan Applicant Records - VA, and published in the Federal Register.

RESPONDENT BURDEN: We need this information to confirm that the lender has closed the loan in compliance with all applicable VA laws and regulations and that the veteran has entered into the loan with an understanding of all relevant requirements and responsibilities. Title 38, United States Code, allows us to ask for this information. We estimate that you will need an average of 5 minutes to review the instructions, find the information, and complete this form. VA cannot conduct or sponsor a collection of information unless a valid OMB control number is displayed. You are not required to respond to a collection of information if this number is not displayed. Valid OMB control numbers can be located on the OMB Internet Page at www.reginfo.gov/public/do/PRAMain. If desired, you can call 1-800-827-1000 to get information on where to send comments or suggestions about this form

INITIAL INTERIM FINAL DATE OF DISCLOSURE:

SECTION I - LOAN INFORMATION

LIN NUMBER

LENDERS LOAN NUMBER

EXISTING VA LIN NUMBER (If applicable)

EXISTING LOAN TYPE (Check appropriate box) VA FHA CONVENTIONAL OTHER (Specify)

DOES THE EXISTING LOAN HAVE MONTHLY MORTGAGE INSURANCE? YES NO

FIRST NAME - MIDDLE NAME - LAST NAME OF VETERAN

FIRST NAME - MIDDLE NAME - LAST NAME OF CO- BORROWER

PROPERTY ADDRESS (Number and street or rural route, City, State, ZIP Code)

SECTION II - LOAN COMPARISON

LOAN COMPARISON ITEM	EXISTING LOAN	NEW LOAN	IMPACT OF REFINANCE
LOAN BALANCE	\$	\$	\$
MONTHLY PAYMENT (P & I)	\$	\$	\$
REMAINING TERM (Months)	MONTHS	MONTHS	MONTHS
AMORTIZATION TYPE (Fixed, ARM, etc.)			
CURRENT INTEREST RATE	%	%	%
TOTAL OF REMAINING SCHEDULED P & I PAYMENTS	\$	\$	\$
LOAN-TO-VALUE RATIO (LTV)	%	%	%
COMBINED LOAN-TO-VALUE RATIO (CLTV)	%	%	%
HOME EQUITY REMAINING	\$	\$	\$
RESIDUAL INCOME (Only needed if residual income is NTB)	\$	\$	\$

SECTION III - FUNDS DISBURSEMENT SUMMARY

AMOUNT OF CASH DIRECTLY DISBURSED TO BORROWER(S):	\$
SUM OF PAYOFFS DISBURSED, EXCLUDING MORTGAGES, ON BEHALF OF BORROWER(S):	\$
SUM OF ALL MORTGAGE PAYOFF(S):	\$
CLOSING COSTS AND VA FUNDING FEE (Excluding Prepays and Escrow Deposits):	\$
PREPAIDS AND ESCROW DEPOSITS:	\$
AMOUNT OF INCREASE IN TOTAL PAID OVER LIFE OF LOAN:	\$

SECTION IV - LOAN SEASONING

1. IS THIS A TYPE 1 CASH-OUT REFINANCE?

- YES
- We (Lender) certify that the new refinance loan closing has occurred at least 210 days since the existing loan's first payment due date and at least six consecutive payments were made prior to the new loan closing.
- NO (If "NO," skip to question 2)

2. IS THE EXISTING LOAN A VA LOAN?

- YES
- We (Lender) certify that the new refinance loan closing has occurred at least 210 days since the existing loan's first payment made and at least six payments were made prior to the new loan closing.
- NO

SECTION V - NET TANGIBLE BENEFIT

- We (Lender) certify that the new refinance loan meets at least one of the following net tangible benefits:
 - 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 AS EXPLAINED BY 38 CFR 36.4360 (e)
 - THE NEW LOAN REFINANCES AN INTERIM LOAN TO CONSTRUCT, ALTER, OR REPAIR THE PRIMARY 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 MORTGAGE

SECTION VI - ACKNOWLEDGEMENT AND SIGNATURE(S)

I/We received the following Cash Out Loan Comparison Disclosures dated: _____

_____	_____
Borrower Signature	Date Signed
_____	_____
Co-Borrower Signature	Date Signed

INFORMATION AND INSTRUCTIONS FOR THE CASH-OUT REFINANCE COMPARISON CERTIFICATION

IMPORTANT: Please read the information below carefully to help you understand the information presented on this form. Some sections of the form also contain notes or specific instructions for completing that section.

What is the purpose of this certification?

This form/document is intended to provide the *Borrower(s)* with a comparison of key loan characteristics on both an existing loan and a (proposed) cash-out refinance loan. The information provides the *Borrower(s)* with information about the overall cost of the cash-out refinance loan and assists in making an informed decision about whether to proceed with the refinance loan.

Do I need to keep a copy of this certification?

Lenders must maintain copies of all loan origination records of VA guaranteed home loans for at least 2 years from the date of loan closing. The *Borrower(s)* should also keep a copy of the certification as part of his/her loan records.

Section II Loan Comparison

The *Lender* should complete the Refinance Loan Comparison for both the initial disclosure at application and the disclosure at closing. **Important:** For the initial disclosure (e.g., Section I), when possible, the *Lender* may use estimated information about the existing loan and proposed loans. If such information is not available or is incomplete (i.e., current appraised value of the home), the *Lender* must estimate this information and explain this to the *Borrower*.

VA Loan Identification Number (LIN) should be provided for the existing loan and the proposed/new loan. If the existing loan is not a VA guaranteed or insured loan, the *Lender* should indicate the type of existing loan (i.e., FHA, conventional, etc.).

The **(Estimated) Impact of Refinance** must be shown as an increase or (decrease) from the existing loan to the proposed/new loan.

Loan Balance reflects the remaining unpaid principal balance for the existing first lien and the principal balance for the proposed/new refinance loan. For the proposed/new refinance loan, this amount should include any VA funding fee and other (estimated) closing costs if such costs are financed as part of the loan. If there is no mortgage loan against the property and the borrower is paying off a lien, use the lien balance as the loan balance for the purposes of this disclosure.

Monthly Payment reflects the total monthly amount of principal and interest owed by the borrower on the existing first lien and proposed/new refinance loan. If the loan has been modified, it should be based on the modified loan monthly payment or in the case of an adjustable-rate mortgage than it should be based on the adjusted monthly payment.

Remaining term: The remaining term on the first lien. In the case of modified loans, it should be based on the modified loan. The *Lender* should indicate the appropriate **Amortization Type** for the existing loan and proposed/new refinance loan (i.e., Fixed; Adjustable-Rate Mortgage (ARM); Hybrid ARM; Home Equity Line of Credit (HELOC, balloon)). The *Borrower* should consult with the Lender if more information is needed about the listed loan type.

Current Interest Rate The rate should be the current interest rate on the first lien, in cases where the loan was modified or an adjustable-rate mortgage, the rate should be based on the rate currently charged.

Total of the Remaining Scheduled Payments reflects the (estimated) total the *Borrower* will have paid after making all remaining payments of principal, interest, and mortgage or guaranty insurance (if applicable) for the existing loan and proposed/new refinance loan.

The Loan-to-Value Percentage is calculated by dividing the Loan Balance by the appraised value of the property, expressed as a percentage. **Important:** For the initial disclosure (e.g., Section I), the *Lender* must estimate the current appraised value of the property if a current appraisal is not available. *The final disclosure (e.g., Section IV)* must use the VA appraisal (also known as the Notice of Value (NOV)) to calculate the Loan-to-Value Percentage.

Home Equity reflects the difference between the home's reasonable (appraised) value and the outstanding balance of all liens on the property.

Residual Income for the existing loan should be calculated using the veteran's current income, mortgage payment, debts, and obligations, as though the refinancing loan was not completed. This is only required to be completed when the residual income is the Net Tangible Benefit.

Section III Funds Disbursement Summary

Amount of Cash Directly Disbursed to Borrower(s): The amount of cash that is directly distributed to the borrower at closing. This excludes any debts paid on their behalf at closing.

Sum of Payoffs Disbursed, Excluding Mortgages, on Behalf of Borrower(s): This should be the sum of all debts, judgments, collections, etc. that are not mortgages being paid off through the transaction.

Sum of all mortgage payoff(s): The sum of all liens against the property that are being paid off through the refinance.

Closings Costs and VA Funding fee, excluding prepaids and escrow deposits: Includes the sum of all closings costs minus credits. Exclude any charges that are not incidental to the loan such as escrow deposits, homeowners insurance, etc.