



FHA NET TANGIBLE BENEFIT WORKSHEET
FOR STREAMLINE REFINANCE

(rev. 7-5-11)

1) Fill out the table below with information from the existing and the proposed new loan.

	Existing Loan (A)	New Loan (B)
Term of Loan (years remaining) *		
Interest Rate	%	%
First Mortgage (P&I)	\$	\$
Monthly Mortgage Insurance (MIP)	\$	\$
TOTAL (P&I plus MIP)	\$	\$

Note: The calculation for net tangible benefit excludes taxes, hazard insurance, flood insurance, HOA dues, and other liens.

2) Check the type of streamline transaction that applies and fill out the net tangible benefit calculations below that section:

- FIXED RATE LOAN to FIXED RATE LOAN
- FIXED RATE to HYBRID ARM (i.e. 3/1, 5/1, etc)
- HYBRID ARM DURING FIXED PERIOD to FIXED RATE LOAN
- HYBRID ARM DURING FIXED PERIOD to HYBRID ARM
- HYBRID ARM DURING ADJUSTABLE PERIOD to ONE YEAR ARM
- ONE YEAR ARM to ONE YEAR ARM

$$\frac{\text{Existing Total}}{\text{Existing Total}} \text{ minus } \frac{\text{New Total}}{\text{New Total}} = \frac{\text{Difference in Payments}}{\text{Difference in Payments}}$$

$$\frac{\text{Difference in Payments}}{\text{Difference in Payments}} \text{ divided by } \frac{\text{Existing Total}}{\text{Existing Total}} = \text{(reduction in payment must be at least 5\%)}$$

- FIXED RATE LOAN to ONE YEAR ARM
- HYBRID ARM DURING FIXED PERIOD to ONE YEAR ARM
- HYBRID ARM DURING ADJUSTABLE PERIOD to HYBRID ARM
- ONE YEAR ARM to HYBRID ARM

$$\frac{\text{Interest Rate Existing Loan}}{\text{Interest Rate Existing Loan}} \text{ minus } \frac{\text{Interest Rate New Loan}}{\text{Interest Rate New Loan}} = \text{(new interest rate must be at least 2\% below existing interest rate)}$$

- HYBRID ARM DURING ADJUSTABLE PERIOD to FIXED RATE LOAN
- ONE YEAR ARM to FIXED RATE LOAN

$$\frac{\text{Interest Rate New Loan}}{\text{Interest Rate New Loan}} \text{ minus } \frac{\text{Interest Rate Existing Loan}}{\text{Interest Rate Existing Loan}} = \text{(new interest rate must be no greater than 2\% above the existing interest rate)}$$

* **Reduction in Term:** For transactions that include a reduction in the mortgage term, that loan must be underwritten and closed as a rate and term (no cash-out) refinance transaction.