

# SOUTH CAROLINA ANTI-FLIPPING/TANGIBLE BENEFIT WORKSHEET

Borrower's Name: \_\_\_\_\_

Loan Number: \_\_\_\_\_

If this is a refinance of the Borrower's primary residence, within 42 months of prior loan continue in completing this worksheet.

If it is not, please mark the box indicating this is not a refinance of the borrower's primary residence, complete the last line on the worksheet and include a copy of the worksheet in the file.

This is not a refinance of the borrower's primary residence.

Under the South Carolina High-Cost and Consumer Home Loans Act, "flipping" means a consumer home loan that refinances an existing consumer home loan within 42 months when the new loan does not have a reasonable tangible net benefit to the borrower, considering all the circumstances. If this is a refinance of a "special mortgage" (i.e. Habitat for Humanity, state bond program, etc.) and if, as a result of the refinance, the borrower loses one or more of the advantages of the "special mortgage", the loan *is not* eligible for purchase by Bank of America.

A presumption of reasonable, tangible, net benefit to the borrower exists when (but not limited to) **one** of the following exists:

• At the time of consummation, the borrower's DTI ratio (including the new loan payments) does not exceed 50%, as verified by tax returns, payroll receipts or other third-party income verification;	<input type="checkbox"/>
• The borrower's monthly payment on the new consolidated debt is a minimum of 20% lower than the total of all monthly obligations being financed, taking into account costs and fees;	<input type="checkbox"/>
• There is a beneficial change for the borrower in the duration of the loan;	<input type="checkbox"/>
• The borrower receives a reasonable amount of cash in relation to closing costs; the proceeds exceed the cost by at least 2:1	<input type="checkbox"/>
• The interest rate is reduced by at least 2%;	<input type="checkbox"/>
• There is a change from adjustable to fixed rate, taking into account costs and fees, and the costs can be recouped within 2 years; or	<input type="checkbox"/>
• The borrower is able to recoup the costs of refinancing the loan within 2 years and reduces the interest rate by 2% or the term of the loan by a minimum of 5 years.	<input type="checkbox"/>

1. Will it take longer than 48 months for the borrower to recoup the costs associated with the loan (based on total monthly debt payment savings)? Yes  No
2. Is this a refinance of a loan that was originated less than 12 months ago? Yes  No
3. Is this loan refinancing the prepayment penalty due on the loan being refinanced? Yes  No
4. Could this loan result in negative amortization? Yes  No
5. Is the interest rate on this loan higher than the rate on the loan being refinanced? Yes  No
6. Is the borrower's mortgage payment increasing? Yes  No
7. Is this loan refinancing a fixed rate to an ARM, balloon or neg am? Yes  No
8. Is the maturity term of this loan greater than the original term of the loan being refinanced? Yes  No

If the answer to any of the above questions is Yes, please explain below how the loan is a benefit to the borrower. If there is not a benefit to the borrower, the loan is not eligible for purchase by Bank of America.

\_\_\_\_\_

Name of person completing this worksheet: \_\_\_\_\_ Date \_\_\_\_\_