

## Net Tangible Benefit (NTB):

NTB Form indicating the benefit to the borrower, must be provided to the borrower within 3 days of application. Final NTB form will also be generated in the closing package and is required to be signed at closing by borrower(s).

- Loan Officer to complete NTB form and provide to borrower with disclosure package, within 3 days of application. Please note- Ellie Mae has not provided a disclosure at this time. Final requirements for the disclosures were issued 2/14/19 and the Operations and Encompass Teams are working on providing an automated solution- until one is provided the attached form will need to be manually completed and provided to the borrower with the best information available at application.
- Final NTB form will be provided in closing package, and is required to be signed by borrower(s) at closing. Please note- Ellie Mae has not provided a disclosure at this time. Final requirements for the disclosures were issued 2/14/19 and the Operations and Encompass Teams are working on providing an automated solution- until one is provided the attached form will need to be manually completed by the underwriter based on information verified during the review of the loan and provided to the borrower in the closing package.

## Loan Seasoning:

Loan seasoning requirements applies to Type I and Type II Cash-Out loans made to refinance an existing VA-guaranteed home loan.

- 210 days after the first monthly payment is made, **and**
- 6 monthly payments have been made on the loan.
- For all loans being refinanced within 1 year from date of closing a full mortgage payment history for the existing loan will be required. Loan Officer and /or Processor to verify Loan Seasoning prior to submission to underwriting.
- Underwriter to validate loan meets seasoning requirements at time of underwriting.

## Fee Recoupment:

\*\* Fee Recoupment provisions only apply to Type I loans made to refinance an existing VA-guaranteed home loan.

The recoupment of the incurred costs can't exceed 36 months from the date of the loan closing. These costs include closing costs, expenses not including escrow costs) and incurred costs.

Recoupment calculation - Divide all fees, closing costs, expenses and incurred costs by the reduction of the monthly principal and interest payment as a result of this refinance.

\*Excluded fees: VA funding Fees, fees offset by lender credits and prepaid expenses like insurance, taxes, special assessments, and homeowners association fees.

Ellie Mae has not yet provided an automated recoupment calculator, please use the excel calculator provided until such time as one is available.



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*Note: if the loan was previously modified the PI reduction must be compared to the modified P&I monthly payment.*

- Loan Officer and/or Processor to verify borrower meets Fee Recoupment using the recoupment calculator, prior to submission to underwriting.
- Fee Recoupment Calculator results to be uploaded to the file under the header Recoupment Calculator.
- Underwriter to validate at time of review. Underwriter to upload final Recoupment Calculator under the header Recoupment Calculator.

Thank you,  
Operations Group  
**Towne Family of Companies**