

A Net Tangible Benefit is not required if the new transaction (*is one of the following*)

- A. Converts existing one-year ARM or hybrid ARM financing to a fixed rate loan
- B. Converts interest only financing to fully amortized financing (Rate and Term refis only)
- C. Reduces the amortization of the existing loan
- D. Rate and Term refinance is the result of a court-ordered divorce buyout – court documents, such as divorce decree required
- E. Converts balloon loan to a fixed rate loan (Rate and Term refis only)
- F. Consolidates a first mortgage with a purchase money second or seasoned second (Rate and Term refis only – Loan will be evaluated on a case-by-case basis. If payment is increasing but the note on the second is not due in the near future, exception will not be granted)

(Loan Officer) Complete this section for Rate and Term Refinance transactions

- Existing fixed rate to new fixed rate
- Existing fixed rate to new hybrid ARM (3/1 or 5/1 ARM)
- Existing one-year ARM to new one-year ARM
- Existing hybrid ARM that is currently in its initial fixed rate period to new fixed rate
- Existing hybrid ARM that is currently in its initial fixed rate period to new hybrid ARM (3/1 or 5/1 ARM)
- Existing hybrid ARM that is currently in its adjustable rate period to new one-year ARM (3/1 or 5/1 ARM)
- Existing fixed rate to new one-year ARM (Rate and Term refinances only)

Borrower(s) Certificate of Reasonable Tangible Net Benefit for Refinance Loans

I/We, the undersigned borrowers, have been fully advised about our financial and personal circumstances and agree that this refinance loan achieves the financial and personal goals we seek. In our opinion, the new loan has resulted or will result in a reasonable tangible net benefit to us. We have personally considered all of the circumstances surrounding the refinancing of our consumer home loan, including, but not necessarily limited to the following:

1. The terms of our current mortgage and other loans, and the new, refinance loan.
2. The cost of the new loan, including points and fees and other closing costs.
3. Our personal financial and other circumstances.
4. The interest rate on our prior loan or loans compared to the new loan.
5. The monthly payment on our prior loan or loans compared to the new loan.
6. The loan-to-value ratio of the new loan compared to that associated with the current outstanding balance of our current mortgage.
7. Our debt-to-income ratio under our current mortgage compared to the new loan.
8. Our living expenses.
9. Our monthly and annual income remaining after paying taxes, living expenses and debts (including the new monthly payment amount on the new loan).
10. Our desire to obtain a fixed rate or variable rate loan.
11. Our significant reason, despite no demonstrably economic benefit, that explains the need for and proposed use of, the new loan proceeds.
12. Our desire to recover cash recently used to purchase this property.
13. Any other factors and circumstances that we deem important.

We will receive the following benefit by obtaining this loan **[BORROWER MUST COMPLETE THIS SECTION]**:

We have carefully considered all of the factors noted above before entering into and executing the documents for the refinancing of our consumer home loan. We understand the benefits to us of obtaining this loan and certify that this transaction results in a reasonable tangible net benefit to us. No one has asked us or required us to borrow the new loan on terms that we cannot afford to pay back. We understand that WBC will rely upon this Borrower's Certificate as our agreement that this refinance transaction results in a reasonable tangible net benefit to us.

IMPORTANT NOTE TO BORROWERS: DO NOT SIGN THIS DOCUMENT UNTIL YOU READ IT CAREFULLY AND UNDERSTAND IT. YOUR SIGNATURES BELOW MEAN THAT YOU HAVE DONE BOTH.

Borrower

Date Signed

Borrower

Date Signed