COLORADO
Department of Regulatory Agencies
Division of Real Estate

Colorado Tangible Net Benefit Disclosure

Loan #:

Date:

Borrower Name: _____ Co-Borrower Name: _____

Property Address: _____

Mortgage Loan Originator: CO License #: _____ NMLS ID:

The purpose of this disclosure is to assist borrowers and mortgage loan originators in determining the tangible net benefit that the proposed loan will provide to the borrower.

In Colorado, a mortgage loan originator may not recommend or induce the borrower to enter into a transaction that does not have a reasonable, tangible net benefit, considering all of the circumstances, including the terms and costs of the proposed loan.

The reasonable, tangible net benefit is inherently dependent upon the totality of facts and circumstances relating to a specific transaction. While the refinancing of certain home loans may clearly provide a reasonable, tangible net benefit, others may require closer scrutiny or consideration to determine whether a particular loan provides the requisite benefit to the borrower.

***Check All That Apply.**

Purchase Transaction:

* _____ The new loan will enable me to purchase a home or other residential real estate in Colorado.

Refinance Transaction:

* _____ The new loan will have a lower interest rate or Annual Percentage Rate (APR) than my/our present loan.
* _____ The new loan will have a lower monthly payment than my/our present loan.
* _____ The new loan is a fixed rate loan.
* _____ The new loan will have a shorter amortization schedule.
* _____ The new loan will eliminate the need for private mortgage insurance.
* _____ The new loan will be a cash-out refinance transaction, the proceeds of which will be used for personal reasons, such as home improvements, debt consolidation, medical expenses, educational expenses, etc.
* _____ If the new loan is an adjustable rate mortgage, I have considered how long the new monthly payment will be in effect before it adjusts. I have also considered the maximum payment amount after adjustment.
* _____ OTHER: Use the below space to describe any reasonable, tangible net benefit or additional considerations not contained in this form.

_____

_____

Disclosed Income:

* _____ My income, as disclosed on the Uniform Residential Loan Application, Freddie Mac form 65 or Fannie Mae form 1003, attached hereto that will be used to repay the loan, after payment of other household expenses, is sufficient to make the mortgage payments. My disclosed income is stable and is unlikely to be discontinued or reduced.

**If you, the borrower, are unable to obtain a loan for any reason, the mortgage loan originator must, within five days after a written request by the borrower, give copies of each appraisal, title report, and credit report paid for by the borrower to the borrower, and transmit the appraisal, title report, or credit report to any other mortgage loan originator or lender to whom the borrower directs the documents be sent.

**All moneys paid by the borrower to the mortgage loan originator for third-party services are held in a trust account and any moneys remaining after payment to third-party providers will be refunded.

I/We certify that we have carefully read this disclosure. I/We agree that the proposed loan has a reasonable, tangible net benefit. I/We have been given an opportunity to ask questions about the proposed loan and understand that there is no obligation to proceed with this transaction.

_____ _____

- BORROWER - - DATE - **- CO-BORROWER - - DATE -**

_____ _____ _____

Mortgage Loan Originator Printed Name Mortgage Loan Originator Signature Date