

MAINE BUREAU OF FINANCIAL INSTITUTIONS  
MAINE OFFICE OF CONSUMER CREDIT REGULATION  
SUPERINTENDENT'S  
NOTICE TO INTERESTED PARTIES

In light of recent changes to state law, the Bureaus are proposing to re-promulgate Chapter 144 (Bureau of Financial Institutions)/ Chapter 550 (Bureau of Consumer Credit Protection), otherwise known as the "Tangible Net Benefit" Rule. This re-promulgation proposes to repeal the "ability to pay" section of the original rule because "ability to repay" is now delineated in Title 9-A following passage of "An Act to Conform State Mortgage Laws with Federal Laws." This re-promulgation also proposes to replace outdated language in the "tangible net benefit" section of the rule and the "tangible net benefit" form. Notably, the term "subprime mortgage loan" has been replaced by the term "higher priced mortgage loan."

The Bureaus are not proposing a public hearing and the comment deadline is May 31, 2010.

Links to the "Notice of Agency Rule-making Proposal," the proposed rule and the proposed "tangible net benefit" form which will form as part of the rule may be found at <http://www.maine.gov/pfr/financialinstitutions/index.shtml> or the Home Page of the Bureau of Consumer Credit Protection at <http://www.maine.gov/pfr/consumercredit/index.shtml>.

Gardiner, Maine  
April 28, 2010

030 BUREAU OF CONSUMER CREDIT PROTECTION CHAPTER 550  
029 BUREAU OF FINANCIAL INSTITUTIONS CHAPTER 144 (REG. 44)  
MORTGAGE LENDING: GUIDELINES FOR DETERMINING REASONABLE,  
TANGIBLE NET BENEFIT

**SECTION 1: Summary**

The Bureau of Consumer Credit Protection and the Bureau of Financial Institutions adopted this Chapter in 2007 to delineate the concepts of "reasonable,

tangible net benefit” and “ability to pay” set forth in the “Act to Protect Maine Homeowners from Predatory Lending,” Chapter 273 of the Public Laws of 2007.

In January 2008, the Maine Legislature passed “An Act Relating to Mortgage Lending and Credit Availability,” which included an amendment to the 2007 enactment limiting applicability of the “ability to pay” provision to instances when a subprime mortgage loan is made. In June 2009, the Maine Legislature passed “An Act to Conform State Mortgage Laws with Federal Laws,” which repealed the term “subprime mortgage loan” and replaced it with a new term contained in federal law, “higher-priced mortgage loan.” The June 2009 enactment also replaced the “ability to pay” provision in Maine law with a new “ability to repay” provision modeled after federal law.

## **SECTION 2: Authority**

1. Title 9-A M.R.S. § 6-104(1)(E) permits the Administrator to adopt, amend, and repeal rules to carry out the specific provisions of the Consumer Credit Code.
2. Title 9-B M.R.S.A. § 215 permits the Superintendent of the Bureau of Financial Institutions to implement rules relating to the supervision of financial institutions or their subsidiaries, or financial institution holding companies or their subsidiaries.
3. Pursuant to Title 9-A M.R.S. § 8-206-I(1)(D), the Administrator must adopt rules defining with reasonable specificity the requirements for compliance with the prohibition against flipping a residential mortgage loan, and such rules are routine technical rules pursuant to Title 5, chapter 375, subchapter 2-A.

## **SECTION 3: Purpose**

This amendment updates the rule so that its provisions are consistent with Congressional and Legislative enactments postdating the rule’s original adoption.

## **SECTION 4: Definitions**

For the purpose of this Chapter, the following terms have the following meanings:

1. “Administrator” has the same meaning as set forth in 9-A M.R.S. §§ 1-301(2);
2. “Borrower” has the same meaning as set forth in 9-A M.R.S. § 8-103(1-A)(F);
3. “Creditor” has the same meaning as set forth in 9-A M.R.S. § 8-103(1-A)(L) and includes a mortgage broker;
4. “Flipping a residential mortgage loan” has the same meaning as set forth in 9-A M.R.S. § 8-103(1-A)(P);

5. "Fully indexed rate" means the index rate prevailing at origination plus the margin\* that will apply after the expiration of an introductory interest rate.
6. "Open-end credit" has the same meaning as set forth in 9-A M.R.S. § 1-301(26);
7. "Residential mortgage loan" has the same meaning as set forth in 9-A M.R.S. § 8-103 (1-A)(W);
8. "Higher-priced mortgage loan" has the same meaning as set forth in 9-A M.R.S. § 8-103(1-A)(Q-1);
9. "Points and fees" has the same meaning as set forth in 9-A M.R.S. § 8-103(1-A)(U);
10. "Mortgage broker" has the same meaning as set forth in 9-A M.R.S. 8-103(1-A)(S);
11. "Refinancing" has the same meaning as 12 C.F.R. 226.20(a) but, for purposes of the reasonable, tangible net benefit analysis, includes open-end credit transactions.

\* DRAFTING NOTE: The "index rate" is a published interest rate to which the interest rate on an adjustable rate mortgage is tied. Some commonly used indices include the 1-Year Constant Maturity Treasury Rate (CMT); the 6-Month London Interbank Offered Rate (LIBOR); the 11th District Cost of Funds (COFI); and the Moving Treasury Average (MTA), a 12-Month moving average of the monthly average yields of U.S. Treasury securities adjusted to a constant maturity of one year. The margin is the number of percentage points a creditor adds to the index value to calculate the adjustable rate mortgage interest rate at each adjustment period.

## **SECTION 5: General Provisions**

1. A creditor may not knowingly or intentionally engage in the act or practice of "flipping" a residential mortgage loan.
2. The factors to be considered by a creditor in determining if a borrower receives a reasonable, tangible net benefit must include, but are not limited to, the following:
  - A. Whether the borrower's new monthly payment is lower than the total of all monthly obligations being financed, taking into account the costs and fees as disclosed on the HUD settlement statement, if one is used;
    - (1) If the new or old residential mortgage loan is not a conventional fixed rate residential mortgage loan, the borrower's monthly payment is the payment that fully amortizes the loan at the fully indexed rate. For open-end credit loans, the new

monthly payment must be based on the amount drawn by the borrower at the time the new residential mortgage loan is made;

(2) In determining whether or not the borrower's new monthly payment is lower than the total of all monthly obligations being financed, taking into account the costs and fees as disclosed on the HUD settlement statement, if one is used, the time for recouping the costs and fees as disclosed in the HUD settlement statement, if one is used, shall be calculated over a period of three (3) years and this amount shall be added to the borrower's new monthly payment. The costs and fees as disclosed on the HUD settlement statement, if one is used, shall include all costs and fees, whether or not they are incorporated into and financed through the new residential mortgage loan(s);

B. Whether there is a change that is beneficial to the borrower in the amortization period of the new higher-priced mortgage loan;

C. Whether the borrower, or a person designated by the borrower, receives a reasonable amount of cash in excess of the costs and fees paid by the borrower as disclosed on the HUD settlement statement, if one is used, as part of the refinancing. The costs and fees paid by the borrower as disclosed on the HUD settlement statement, if one is used, shall include all costs and fees, whether or not they are incorporated into and financed through the new higher-priced mortgage loan;

D. Whether the borrower's rate of interest is reduced or, in the event that more than one loan is being refinanced, the weighted average of the rates of interest of the previous loans is reduced;

E. Whether there is a change from an adjustable to a fixed rate loan; and

F. Whether the refinancing is necessary to respond to a *bona fide* personal need, as reasonably determined by the borrower, or an order of a court of competent jurisdiction.

While all the factors set forth above must be considered, some may not show that the borrower is receiving a reasonable, tangible net benefit. There may be circumstances in which only one factor is sufficient to provide the borrower with a reasonable, tangible net benefit, considering all the circumstances.

3. A creditor shall provide the borrower with a written disclosure conspicuously stating the name, address, and telephone number of the creditor; briefly describing the new higher-priced mortgage loan; and identifying the factors considered by the creditor in determining whether the borrower is receiving a reasonable, tangible net benefit from the new higher-priced mortgage loan. The form must be signed and dated by both the creditor and the borrower. A disclosure in the same form as found in Attachment "A" complies with this subsection as does a form that otherwise meets the requirements of this subsection.

4. The creditor shall explain its reasonable, tangible net benefit analysis to the borrower, and shall present the reasonable, tangible net benefit form to the borrower for signing, prior to or upon making the new higher-priced mortgage loan.
5. When the fully indexed rate for an adjustable rate mortgage loan based on a lagging index (e.g., MTA rate) is significantly different from the rate on a comparable 30-year fixed rate product, a credible market rate should be used to qualify the borrower and determine repayment capacity
6. Once the reasonable, tangible net benefit form has been duly completed and signed by the creditor and the borrower, the creditor shall immediately provide a copy of the form to the borrower.
7. A duly completed and signed form that reflects a reasonable, tangible net benefit is evidence of compliance with this subsection.

## **SECTION 6: ENFORCEMENT**

Failure to comply with the provisions of this Chapter may result in imposition of damages, penalties, and other remedial actions, as set forth in 9-A M.R.S. §§ 8-108, 8-109, 8-206-E, 8-208, 8-209, and all other applicable provisions of law.

## **NOTICE OF AGENCY RULE-MAKING PROPOSAL**

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AGENCY: **Bureau of Financial Institutions and Bureau of Consumer Credit Protection**

CHAPTER NUMBER AND TITLE: **Guidelines for Determining Tangible Net Benefit**  
Chapter 144 – Bureau of Financial Institutions  
Chapter 550 – Bureau of Consumer Credit Protection

PROPOSED RULE NUMBER (*leave blank; assigned by Secretary of State*):

CONTACT PERSON FOR THIS FILING: **Christian Van Dyck**  
**AGENCY NAME: Bureau of Financial Institutions**  
**ADDRESS: 36 State House Station, Augusta, ME 04333-0036**  
**TELEPHONE: (207) 624-8574**  
**Christian.d.vandyck@Maine.gov**

CONTACT PERSON FOR SMALL BUSINESS INFORMATION (if different): N/A.

PUBLIC HEARING (if any): None proposed.

COMMENT DEADLINE: May 31, 2010

**BRIEF \*SUMMARY:**

This Rule was promulgated jointly by the Bureau of Consumer Credit Protection and the Bureau of Financial Institutions in December 2007. It was promulgated to delineate the concepts of "reasonable, tangible net benefit" and "ability to pay" set forth in the "Act to Protect Maine Homeowners from Predatory Lending," Chapter 273 of the Public Laws of 2007.

The Bureaus are seeking to amend the Rule so that it comports with new Maine laws that have been enacted since the Rule was first promulgated. Specifically, the Bureaus are seeking to amend the "tangible net benefit" subsection of the Rule, and the attached "tangible net benefit form, so that they apply only when a residential mortgage loan that is a "higher-priced mortgage loan" is made. The Bureaus are also seeking to remove the "ability to pay" subsection of the Rule which is no longer effective because of the new "ability to repay" provision in Title 9-A M.R.S.A. § 8-206-I, sub-§ 1 paragraph A, that now supersedes this subsection. Finally, the Bureaus are seeking to change cross-references to Maine law that resulted from the enactment of "An Act to Conform State Mortgage Laws with Federal Laws."

The "Small Business Impact Statement may be found at the Bureau's website under "notices to interested parties" at <http://www.maine.gov/pfr/financialinstitutions>

IMPACT ON MUNICIPALITIES OR COUNTIES (if any) N/A.

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**STATUTORY AUTHORITY FOR THIS RULE:**

1. Title 9-A M.R.S. § 6-104(1)(E) permits the Administrator to adopt, amend, and repeal rules to carry out the specific provisions of the Consumer Credit Code.

2. Title 9-B M.R.S.A. § 215 permits the Superintendent of the Bureau of Financial Institutions to implement rules relating to the supervision of financial institutions or their subsidiaries, or financial institution holding companies or their subsidiaries.

3. Pursuant to Title 9-A M.R.S. § 8-206-I(1)(D), the Administrator must adopt rules defining with reasonable specificity the requirements for compliance with the

prohibition against flipping a residential mortgage loan, and such rules are routine technical rules pursuant to Title 5, chapter 375, subchapter 2-A.

SUBSTANTIVE STATE OR FEDERAL LAW BEING IMPLEMENTED (if different):

E-MAIL FOR OVERALL AGENCY RULE-MAKING LIAISON:

[Christian.d.vandyck@Maine.gov](mailto:Christian.d.vandyck@Maine.gov)

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\* Check one of the following two boxes.

The above summary is for use in both the newspaper and website notices.

The above summary is for the newspaper notice only. A more detailed summary / basis statement is attached.

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**Please approve bottom portion of this form and assign appropriate AdvantageME number.**

APPROVED FOR PAYMENT \_\_\_\_\_ DATE: \_\_\_\_\_  
(authorized signature)

FUND	AGENCY	ORG	APP	JOB	OBJT	AMOUNT
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**MAPA-3** revised 9-09: additional summary information for web

**Notice of Agency Rule-making Proposal**

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DETAILED BASIS STATEMENT / SUMMARY:

**BASIS STATEMENT**

1. Pursuant to Public Law 2007, Chapter 273, Section A-40, the Administrators of Title 9-A were required to adopt rules defining the

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requirements for determining whether or not a borrower has a reasonable ability to pay a subprime mortgage loan, taking into account the various considerations set forth in State law and federal regulations and guidelines.

2. On January 1, 2008, this Tangible Net Benefit/Ability to Pay Rule first became effective.

3. In June 2009, the Maine Legislature passed "An Act to Conform State Mortgage Laws with Federal Laws" which, among other things, repealed and replaced Title 9-A M.R.S. § 8-206-D with a new "ability to repay" provision, modeled after federal law, containing specific criteria for determining "ability to repay." The new statute supersedes previous rulemaking related to ability to pay.

4. "An Act to Conform State Mortgage Laws with Federal Laws" also repealed the term "subprime mortgage loan" and replaced it with a new term contained in federal law, "higher-priced mortgage loan."

5. This Rule is being amended so that it comports with this new law. Specifically, the Bureaus are amending the "tangible net benefit" subsection of this Rule so that it applies only when a residential mortgage loan that is "higher-priced mortgage loan" is made to refinance an existing residential mortgage loan. The Bureaus are also removing the "ability to pay" subsection of this Rule because of the new "ability to repay" provision in Maine law that supersedes this subsection. Finally, the Bureaus are seeking to change cross-references to Maine law that resulted from the passage of "An Act to Conform State Mortgage Laws with Federal Laws." The new law became effective on June 11, 2009 and was implemented on an interim basis by a joint advisory ruling issued by the Bureaus, dated July 28, 2009, until this rulemaking process could be completed.

6. Pursuant to M.R.S. §8-206-I, sub-§ 1, paragraph D, the Administrator is authorized to adopt rules defining with reasonable specificity the requirements for compliance with the prohibition against flipping a residential mortgage loan, and such rules are routine technical rules pursuant to Title 5, chapter 375, subchapter 2-A.

7. When this Rule was first promulgated, a hearing was held at which many comments were received. Following the hearing, the Bureaus published their responses to these comments, interpreting and providing further clarification to various aspects of the Rule. The Bureaus are of the view that, to the extent their responses to comments following the hearing are still relevant to this re-promulgation, they should be included as part of the basis statement. The Bureaus' responses to comments regarding "ability to pay" have not been included because the "ability to pay" section of the Rule has been repealed. The Bureaus' responses to comments regarding the "tangible net benefit" analysis and form relate now to when a residential mortgage loan that is a

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“higher priced mortgage loan” is made to refinance an existing residential mortgage loan.

*a) The rebuttable presumption created by the reasonable, tangible net benefit form*

The original proposed Rule provided that a duly completed and signed form would create a rebuttable presumption for the creditor that the borrower is receiving a reasonable, tangible net benefit from the new residential mortgage loan.

The Bureaus were persuaded by the arguments put forward against the rebuttable presumption in the original proposed Rule. The Bureaus determined that a form that reflects reasonable, tangible net benefit, if duly completed and signed, would serve as “evidence of compliance” with the prohibition against “flipping.” The Bureaus decided that it was appropriate to strengthen consumer protections by eliminating the “rebuttable presumption” that existed in the original proposed Rule. Doing so, they determined, would diminish the possibility of unscrupulous creditors using the form as a shield to protect themselves from liability.

*b) General responses to comments regarding the reasonable, tangible net benefit form*

The original proposed Rule provided for a form that creditors could use in determining whether or not a borrower is receiving a reasonable, tangible net benefit.

The Bureaus agreed with several of those commenting that the form should sensitize creditors to their legal obligation that, in determining whether or not a borrower is receiving a reasonable, tangible net benefit, the creditor must consider all the circumstances of the borrower (if only to exclude some factors). The form was shortened and reformatted in columns and rows to make it easier for the borrower to compare the terms of the new loan with the old one. This revision also clarified the requirement that creditors consider all of the borrower’s circumstances rather than considering one factor in isolation. The Bureaus also added a new paragraph to the Rule which provides that certain factors may not show that the borrower is receiving a reasonable, tangible net benefit but which must, nevertheless, be considered by creditors.

The Bureaus also emphasized that the Rule does not mandate that creditors use the form that is found as Attachment A to the Rule. Rather, the Rule requires that lenders use the attached form or one substantially similar to it. The Bureaus stated that, if a creditor wished to submit a form to the

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Bureaus for evaluation as to whether their form is "substantially similar," it could do so.

*c) Detailed responses to comments regarding the reasonable, tangible net benefit form*

The Bureaus agreed that the term "amortization period" may not be understood by all borrowers, and the Bureaus thus changed this term so that it reads, "length of the repayment period." The Bureaus also amended the term, "cash in excess of fees" to "amount of cash out (or paid to others)."

The Bureaus were of the opinion that, under ordinary circumstances, "Bona fide personal need" requires certain extenuating circumstances to justify the benefit to the borrower, including, but not limited to, satisfying a tax lien, responding to a court order, honoring a divorce settlement, satisfying medical expenses, or obtaining a loan for educational expenses. However, with respect to the question of who determines what qualifies as a "bona fide personal need," the Bureaus amended that part of the form so that it is clear that this determination is one made by the borrower, bearing in mind that the borrower's need cannot be patently unreasonable.

The Bureaus decided not to elaborate on the factor, "change in amortization period" (other than to simplify it to "length of repayment period," as noted above) because (a) the reconstituted form requires creditors to provide the repayment periods for both the new and old loans and (b) the form was amended to clarify that creditors are required to consider all the circumstances of the borrower in determining reasonable, tangible net benefit. The Bureaus recognized that lengthening the repayment period would be beneficial to some borrowers, while shortening the repayment period would be beneficial to others. The Bureaus determined that the determination as to whether the change is beneficial to the borrower is one that must be made on a case-by-case basis, taking into account all the circumstances.

The Bureaus amended the form and the Rule to make clear that the borrower may either receive a reasonable amount of cash in excess of fees or may designate a third party recipient.

That portion of the reconstituted form dealing with refinancing of loans from adjustable to fixed rates, like the other factors, requires the creditor to input information regarding the old and new loans. The Bureaus determined that the question of whether or not refinancing from an adjustable to a fixed rate loan is, on balance, beneficial to the borrower would depend on a consideration of all the circumstances.

The Bureaus amended the Rule and the reasonable, tangible net benefit form so that the term "costs and fees" is clarified to mean only those costs and fees paid by the borrower.

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*d) Incorporation of the definition of "refinancing"*

The Bureaus agreed with several of those commenting that clarity would be served by incorporating a definition of "refinancing" in the Rule and did so by reference to the federal Regulation Z definition of "refinancing." However, unlike the federal Regulation Z definition, the Rule's definition of "refinancing" applies also to open-end credit transactions, in keeping with the underlying intent of the Act.

*e) Inclusion of Home Equity Lines of Credit (HELOCs) from the reasonable, tangible net benefit analysis*

The Bureaus determined that HELOCs were not to be given "safe harbor" treatment in the Rule.

*f) Reference on the form to the Bureaus and counseling*

The Bureaus noted that there are several entities that provide objective, neutral counseling and, without mandating that they be referenced in the reasonable, tangible net benefit form, the Bureaus agreed that references to objective third-party counseling may be included in the form.

The Bureaus also agreed that it is in the public interest to include both Bureaus' contact information on the form in case a borrower has any questions about the loan or creditor.

*g) Time frame for providing the reasonable, tangible net benefit form to borrowers*

The Bureaus noted that the Rule already makes clear that the form, or one substantially similar to it, must be provided prior to or upon making the new loan. If the terms of the refinancing change after a mortgage broker explains its determination to a borrower and signs the form, the creditor must explain the changes to the borrower and complete an additional form.

*h) Use of the definition "fully indexed rate"*

The Bureaus noted that Rule requires an analysis of a loan at its fully indexed rate and took into consideration that this rate is simple to calculate and widely understood. The Bureaus further noted that using the fully indexed rate should strike a balance between the need to create clear guidelines for creditors with the need to protect borrowers. By using the term "fully indexed rate," the Rule would prevent creditors from using so-called teaser rates when calculating tangible net benefit or ability to pay.

*i) References to the HUD-1 Form*

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The Bureaus amended the Rule and the form to reference HUD settlement statements generally, if one is used at all.

*j) Use of the term "weighted average"*

The Bureaus determined that it was important to calculate a weighted average interest rate to enable comparison with the interest rate of the new loan. By way of example, one method for calculating a weighted average would be to use the following formula:

$$\text{OPB} \times \text{Current Interest} = \text{YIA}$$

$$\frac{\text{Total YIA}}{\text{Total OPB}} = \text{weighted average interest rate (in decimal form)}$$

where OPB is the outstanding principal balance, Total OPB is the outstanding principal balance for all the loans, YIA is the yearly interest amount, and Total YIA is the yearly interest amount for all the loans.

*k) Use of the composite rate calculation*

The Rule was amended to use the fully indexed rate in the tangible net benefit analysis. The Bureaus believed that this analysis would provide a reasonable comparison of the new monthly payment with the payment on the loan or loans being refinanced, including adjustable loans.

*l) Pipeline loans*

The Bureaus agreed with several of those commenting that the Rule would only apply to loan applications received after January 1, 2008 and amended the effective date of the Rule accordingly.

*m) Application of the Rule*

The Bureaus stated that all mortgage brokers involved in mortgage lending in Maine would be subject to the Rule. The Rule applies to "creditors"; pursuant to section 8-103(1-A)(L) of the Act, mortgage brokers are included in the definition of "creditors." The definition of "mortgage broker" refers to the federal definition of "mortgage broker" found in 24 C.F.R. 3500.2. That definition is not related to, or dependent upon, the type of institution with which the mortgage broker works.

*n) References to federal laws and terms*

The Bureaus determined that consistency between the Act and the Rule was best achieved by including references to the federal terms.

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ATTACHMENT “A” TO THE REASONABLE, TANGIBLE NET BENEFIT AND ABILITY TO PAY RULE, REFLECTING CHANGES NECESSITATED BY PUBLIC LAW 2009, CHAPTER 362, “AN ACT TO CONFORM STATE MORTGAGE LAWS WITH FEDERAL LAWS”

**STATE OF MAINE – REASONABLE, TANGIBLE NET BENEFIT DISCLOSURE FORM**

This disclosure is being provided to you pursuant to Maine’s residential mortgage lending laws. The law protects borrowers from certain loan brokering and lending practices. One of the prohibited practices is known as “flipping a residential mortgage loan when making a higher-priced mortgage loan.”

**WHAT IS FLIPPING?** “Flipping” is the making of a higher-priced mortgage loan (the “new loan”) to a borrower who refinances an existing residential loan when the new loan does not result in a “reasonable, tangible net benefit” to the borrower.

Borrower name(s):
Property address:

**BASED UPON THE REVIEW BY THE LENDER, AND THE MORTGAGE BROKER, IF ONE IS USED, OF ALL OF THE CIRCUMSTANCES RELATED TO THE NEW LOAN AND ANY DEBTS TO BE PAID FROM THE PROCEEDS OF THE NEW LOAN, THE NEW LOAN PROVIDES A REASONABLE, TANGIBLE NET BENEFIT TO YOU AS FOLLOWS:**

Loan Information
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	New Loan	Old Loan
Monthly payment amount		
Length of repayment period		
Amount of cash out (or paid to others)		
Interest rate or weighted average interest rate		
Type of loan (Adjustable Rate Loan or Fixed Rate Loan)	Adjustable   Fixed (Circle one.)	Adjustable   Fixed (Circle one.)
Bona fide personal need, as reasonably determined by the borrower?	Yes   No (Circle one.)	

**CREDITOR TO COMPLETE:**

The borrower received the following reasonable, tangible net benefit from the new loan (include bona fide personal need, if applicable):

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After reviewing all relevant information, the lender and mortgage broker, if one was used, confirm that they have performed the analysis of the applicable reasonable, tangible net benefit as identified above and that they have explained the analysis to the borrower. The borrower(s) acknowledge(s) that the lender and mortgage broker, if one was used, have identified and explained the reasonable, tangible net benefit(s).

**FOR LENDERS:**

I have reviewed and explained this Form and the answers provided therein to the borrower.

\_\_\_\_\_, \_\_\_\_\_  
Agent/Loan Officer's printed name      Title

\_\_\_\_\_  
Agent/Loan Officer's signature      Date

On behalf of: \_\_\_\_\_  
(Name of Lender)

FOR LOAN BROKERS:

I have reviewed and explained this Form and the answers provided therein to the borrower.

\_\_\_\_\_, \_\_\_\_\_  
Agent/Loan Officer's printed name      Title

\_\_\_\_\_  
Agent/Loan Officer's signature      Date

On behalf of: \_\_\_\_\_  
(Name of Mortgage Broker)

\_\_\_\_\_  
Borrower's printed name

\_\_\_\_\_  
Co-Borrower's printed name

\_\_\_\_\_  
Borrower's signature

\_\_\_\_\_  
Co-Borrower's signature

Date: \_\_\_\_\_

Date: \_\_\_\_\_

\* If the terms of the refinancing change after the mortgage broker explains its answers to the borrower and signs this form, the lender shall explain its answers to the borrower and sign a new form.

**CONSUMERS:**

*If you have questions regarding your loan or creditor, please contact one of the following Bureaus.*

*The Maine Bureau of Financial Institutions regulates state-chartered banks and credit unions. Its website address is <http://www.maine.gov/pfr/financialinstitutions/>, and its toll-free telephone number, if calling in Maine, is 1-800-965-5235.*

*The Bureau of Consumer Credit Protection regulates mortgage companies and loan brokers. Its website address is <http://www.Credit.Maine.gov>, and its toll-free telephone number, if calling in Maine, is 1-800-332-8529.*