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Tangible Net Benefit Matrix

This matrix is distributed to provide general information about the subject matter covered and should not be utilized as a substitute for professional advice for your specific situation. If you require such advice, please consult with your own professional advisers.

State	Is Creditor required to determine a TNB to the Borrower?	Does Creditor need to provide Borrower a TNB Disclosure?*	Occupancy Status	Citations	Notes
Alabama	No	No	N/A	N/A	Alabama has not enacted any TNB requirements.
Alaska	Yes	No	O/O = Owner Occupied	Alaska Stat. § 06.60.350	A mortgage licensee may not refinance a mortgage loan within 12 months after the date the mortgage loan is closed, unless the refinancing is beneficial to the borrower which may include: 1. the borrower's new monthly payment is lower than the total of all monthly obligations being refinanced, after taking into account the costs and fees of the refinancing; 2. the amortization period of the new mortgage loan is different from the amortization period of the mortgage loan being refinanced; 3. the borrower receives cash in excess of the costs and fees of the refinancing; 4. the rate of interest of the borrower's promissory note is reduced; 5. the mortgage loan changes from an adjustable rate loan to a fixed rate loan; in a determination under this paragraph, the department may take into account costs and fees; 6. the refinancing is necessary to respond to a bona fide personal need or an order of a court of competent jurisdiction; 7. the original term of the mortgage loan being refinanced is two years or less; and 8. the refinancing is being made to prevent a foreclosure on an existing mortgage loan.
Arizona	No	No	N/A	N/A	Arizona has not enacted any TNB requirements.

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Arkansas	Yes	No	O/O	Ark. Code Ann. § 23-39-513(10); 23-53-104(b)	*All Other Loans* : It is unlawful for any person in the course of any mortgage loan transaction or activity to broker or make a refinancing of a residential mortgage loan when the refinancing charges additional points and fees, within a 12-month period after the original loan agreement was signed, unless the refinancing results in a reasonable, tangible net benefit to the borrower, considering all of the circumstances surrounding the refinancing; *High Cost Loans* : No creditor may engage in the unfair act or practice of "flipping" a home loan. "Flipping" a loan is the making of a high-cost home loan to a borrower that refinances an existing home loan when the new loan does not have reasonable, tangible net benefit to the borrower considering all of the circumstances, including the terms of both the new and refinanced loans, the cost of the new loan, and the borrower's circumstances. In addition, home loan refinancing shall be presumed to be flipping if: (A) The primary tangible benefit to the borrower is an interest rate lower than the interest rate or rates on debts satisfied or refinanced in connection with the home loan, and it will take more than 4 years for the borrower to recoup the costs of the points and fees and other closing costs through savings resulting from the lower interest rate; or (B) The new loan refinances an existing home loan that is a special mortgage originated, subsidized, or guaranteed by or through a state, tribal, or local government or nonprofit organization, that either bears a below-market interest rate at the time the loan was originated or has nonstandard payment terms beneficial to the borrower, such as payments that vary with income, are limited to a percentage of income, or when no payments are required under specified conditions, and when, as a result of the refinancing, the borrower will lose 1 or more of the benefits of the special mortgage; A lender may not make a loan unless the lender believes that one or more of the borrowers will be able to make the scheduled payments to repay the obligation based upon an assessment of the borrower's current and expected income, current obligations, employment status, and other financial resources.
California	Yes	No	N/A	CA Fin. Code §§ 4973(f)(1); 4973(j)	When making or negotiating a loan, a finance lender must take into consideration the borrower's ability the repay the loan in determining the size and duration of the loan; *High Cost /Covered* : A lender may not make a loan unless the lender believes that one or more of the borrowers will be able to make the scheduled payments to repay the obligation based upon an assessment of the borrower's current and expected income, current obligations, employment status, and other financial resources. The borrower will be presumed to be able to make the scheduled payments if the borrower's total monthly debts, including amounts owed under the loan, do not exceed 55% of the borrower's monthly gross income. Shall not refinance or arrange for the refinancing of a consumer loan such that the new loan is a covered loan that is made for the purpose of refinancing, debt consolidation or cash out, that does not result in an identifiable benefit to the consumer, considering the consumer's stated purpose for seeking the loan, fees, interest rates, finance charges, and points.

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Colorado	Yes	Yes; See COTNBD.DSC[1]	O/O	Colo. Rev. Stat. §725-3, Rule 3-1-1(5)(3); § 38-40-105(1.7)(a)(II); 12-61-904.5(1); 5-3.5-103	A mortgage loan originator must make a reasonable inquiry to determine the tangible net benefit for a borrower, the required considerations for originators determining the requisite benefit must include, but are not limited to: (1) lower payments; (2) condensed amortization schedule;(3) debt consolidation;(4) cash out; (5) avoiding foreclosure; (6) negative amortization;(7) balloon payments;(8) variable rates; (9) interest only options;(10) prepayment penalties; and (11) hybrid mortgage products; A mortgage broker or mortgage originator shall not knowingly or intentionally engage in flipping a residential mortgage loan. "Flipping" means refinancing an existing residential mortgage loan when the new loan does not have reasonable, tangible net benefit to the consumer considering all of the circumstances, including the terms of both the new and refinanced loans, the cost of the new loan, and the consumer's circumstances; A mortgage broker shall have a duty of good faith and fair dealing to not recommend or induce the borrower to enter into a transaction that does not have a reasonable, tangible net benefit to the borrower, considering all of the circumstances, including the terms of a loan, the cost of a loan, and the borrower's circumstances; Within one year after having extended credit subject to this article, no lender shall refinance any covered loan to the same obligor into another covered loan unless the refinancing is in the obligor's interest. An assignee holding or servicing an extension of mortgage credit subject to this article shall not, for the remainder of the one-year period following the date of origination of the credit, refinance any covered loan to the same obligor into another covered loan unless the refinancing is in the obligor's interest; *Covered Loan:* A lender may not make a covered loan to a borrower based on the borrower's collateral without regard to the borrower's repayment ability, including the borrower's current and expected income, current obligations, and employment.
Connecticut	Yes	No	O/O	Conn. Gen. Stat. §§ 36a-746e(8); 36a-760g(b); 36a-760b(a)	*High Cost* : No lender shall make such loan to a borrower that refinances an existing loan unless the high cost home loan provides a benefit to the borrower considering all of the circumstances, including the terms of both the new and refinanced loans, the cost of the new loan, and the borrower's circumstances; *Nonprime* : A lender shall not make and a mortgage broker shall not offer a nonprime home loan that refinances a mortgage unless the nonprime home loan provides or is expected to provide a tangible net benefit to the borrower. A lender may not make the loan unless there is reasonable belief that one or more of the borrowers will be able to make the scheduled payment, this belief must be based upon a consideration of the borrower's current and expected income, and current and expected obligations as disclosed by the borrower. In the case of a bridge loan, a lender is permitted to consider the equity in the dwelling as a source of repayment for the loan.
Delaware	No	No	N/A	N/A	Delaware has not enacted any TNB requirements.
District of Columbia	No	No	N/A	D.C. Code Ann. §§ 26-1116.5; 26-1152.02(a)	*All loans* : A licensee must demonstrate the preparation and use of an analysis of the borrower's ability to repay the loan and such analysis must be retained in the loan file. The licensee must act in good faith in the best interest of the borrower; *Covered* : A lender may not make a covered loan if the borrower, at the time that the loan is closed, cannot reasonably be expected to make the scheduled payments. This prohibition does not apply to borrowers whose gross income exceeds 120% of median family income. The lender must use the median family income that is the most recent estimate made by HUD at the time the application is received.

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Florida	Yes	No	O/O	Fla. Stat. Ann. §§ 494.00791(6); 494.00791(9)	*High Cost* : A lender may not extend high-cost home loans to borrowers based upon the borrowers' collateral without regard to the borrowers' ability to repay the loan, including the borrowers' current and expected income, current obligations, and employment; A lender, its affiliate, or an assignee shall not refinance any high-cost home loan to the same borrower within the first 18 months of the loan when the refinancing does not have a reasonable benefit to the borrower considering all of the circumstances, including, but not limited to, the terms of both the new and refinanced loans, the cost of the new loan, and the borrower's circumstances.
Georgia	Yes	No	O/O	Ga. Code Ann. §§ 7-6A-4; 7-6A-5(8)	*High Cost* : No creditor may knowingly or intentionally engage in the unfair act or practice of "flipping" a home loan. Flipping a home loan is the consummating of a high-cost home loan to a borrower that refinances an existing home loan that was consummated within the prior five years when the new loan does not provide reasonable, tangible net benefit to the borrower considering all of the circumstances including, but not limited to, the terms of both the new and refinanced loans, the cost of the new loan, and the borrower's circumstances. The home loan refinancing transaction shall be presumed to be a flipping where a high-cost home loan refinances an existing home loan that was consummated within the prior 5 years and that is a special mortgage originated, subsidized, or guaranteed by or through a state, tribal, or local government or a nonprofit organization, which either bears a below-market interest rate at the time the loan was originated or has nonstandard payment terms beneficial to the borrower, such as payments that vary with income, are limited to a percentage of income, or where no payments are required under specified conditions and where, as a result of the refinancing, the borrower will lose one or more of the benefits of the special mortgage; A lender may not make a high-cost home loan unless a creditor would believe that the borrower residing in the home will be able to make the scheduled payments associated with the loan based upon a consideration current and expected income, current obligations, employment status, and other financial resources, there is a presumption that the borrower is able to make the payments if the borrower's total monthly debts, including amounts under the loan, do not exceed 50% of the borrower's monthly gross income.
Hawaii	No	No	N/A	N/A	Hawaii has not enacted any TNB requirements.
Idaho	No	No	N/A	N/A	Idaho has not enacted any TNB requirements.

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Illinois	Yes	No	O/O	815 ILCS 120/2; 120/3; 137/45; 137/20; 137/15	No financial institution, in connection with or in contemplation of any loan to any person, may engage in equity stripping or loan flipping. "Loan flipping" means to assist a person in refinancing a loan secured by the person's principal residence for the primary purpose of receiving fees related to the refinancing when (i) the refinancing of the loan results in no tangible benefit to the person and (ii) at the time the loan is made, the financial institution does not reasonably believe that the refinancing of the loan will result in a tangible benefit to the person. "Equity stripping" means to assist a person in obtaining a loan secured by the person's principal residence for the primary purpose of receiving fees related to the financing when (i) the loan decreased the person's equity in the principal residence and (ii) at the time the loan is made, the financial institution does not reasonably believe that the person will be able to make the scheduled payments to repay the loan; *High Cost* : No lender shall refinance any high risk home loan where such refinancing charges additional points and fees within a 12‑month period after the original loan agreement was signed, unless the refinancing results in a tangible net benefit to the borrower. The lender must verify the borrower's ability to repay. This verification requires, at a minimum, the following:(1) that the borrower prepare and submit to the lender a personal income and expense statement in a form prescribed by the Commissioner or the Director, who may permit the use of other forms;(2) that the borrower's income is verified by means of tax returns, pay stubs, accounting statements, or other prudent means; and (3) that a credit report is obtained regarding the borrower. It is presumed that the borrower is able to make the payments if the borrower's total monthly debts, including amounts under the loan, do not exceed 50% of the borrower's monthly gross income.
Indiana	Yes	No	N/A	Ind. Code Ann. § 24-9-4-8	A lender may not make a high cost home loan without regard to repayment ability. If a lender presents evidence that the lender followed commercially reasonable practices in determining the borrower's debt to income ratio, there is a rebuttable presumption that the lender made the high cost home loan with due regard to repayment ability.
Iowa	No	No	N/A	N/A	Iowa has not enacted any TNB requirements.
Kansas	No	No	N/A	N/A	Kansas has not enacted any TNB requirements.
Kentucky	No	No	N/A	Ky. Rev. Stat. Ann. § 360.100(2)(i),(y)	*High Cost* : A lender may not make a loan unless the lender believes that one or more of the borrowers will be able to make the scheduled payments to repay the obligation based upon an assessment of the borrower's current and expected income, current obligations, employment status, and other financial resources. In addition, a lender may not make a high-cost home loan without verifying the borrower's income and financial resources through tax returns, payroll receipts, bank records, or other similarly reliable documents.
Louisiana	No	No	N/A	N/A	Louisiana has not enacted any TNB requirements.

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Maine	Yes	Yes; See MERTNBD.MSC[2]	O/O	Code Me. R. §02-030-550(5)(1); Me. Rev. Stat. Ann. tit. 9-A, §§8-103(1-A)(P); 8-206-H(1)(A)(9); 8-206-I(1)(A)	A creditor may not knowingly or intentionally engage in the act or practice of flipping a residential mortgage loan. "Flipping a residential mortgage loan" means the making of a residential mortgage loan to a borrower that refinances an existing residential mortgage loan when the new loan does not have reasonable, tangible net benefit to the borrower considering all of the circumstances, including the terms of both the new and refinanced loans, the cost of the new loan and the borrower's circumstances. The factors to be considered in determining tangible net benefit must include, but are not limited to, the following: (1) 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; (2) whether there is a change that is beneficial to the borrower in the amortization period of the new subprime mortgage loan; (3) 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; (4) 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; (5) whether there is a change from an adjustable to a fixed rate loan; and(6) 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; *High Cost/ High Fee* : A lender may not extend a high-rate, high-fee mortgage loan to a borrower based on the value of the borrower's collateral without regard to: (1) the borrower's current and reasonably expected income; (2) employment; (3) assets other than the collateral; (4) credit history; (5) debt-to-income ratio; (6) current obligations; and (7) mortgage-related obligations.
Maryland	Yes	Yes; See MDNTBW.MSC[3]	O/O	Md. Regs. Code tit. 9 § 03.06.20; Md. Code Ann., Comm. Law §§ 12-127(b); 12-409.1(b); 12-925(b); 12-1029(b)	A licensee may not refinance a mortgage loan unless the refinance has a net tangible benefit to the borrower, considering all of the circumstances, including the terms of the loan, the cost of the loan, and the borrower's circumstances. Net tangible benefits may include, but are not limited to:(a) Obtaining a lower interest rate; (b) Obtaining a lower monthly payment, including principal, interest, taxes, and insurance; (c) Obtaining a shorter amortization schedule; (d) Changing from an adjustable rate to a fixed rate;(e) Eliminating a negative amortization feature;(f) Eliminating a balloon payment feature; (g) Receiving cash-out from the new loan in an amount greater than all closing costs incurred in connection with the loan; (h) Avoiding foreclosure; (i) Eliminating private mortgage insurance; and (j) Consolidating other existing loans into a new mortgage loan; A lender or credit grantor may not make a mortgage loan without giving due regard to the borrower's ability to repay the mortgage loan in accordance with its terms, including the fully indexed rate of the mortgage loan, if applicable. Due regard to a borrower's ability to repay a mortgage loan must include: (1) consideration of the borrower's debt to income ratio, including existing debts and other obligations; and (2) verification of the borrower's gross monthly income and assets by review of third-party written documentation reasonably believed by the lender or credit grantor to be accurate and complete.

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Massachusetts	Yes	Yes; See MABIW.MSC[4]	O/O	MA ST 183 § 28C; 209 MA ADC 53	A lender shall not knowingly make a home loan if the home loan pays off all or part of an existing home loan that was consummated within the prior 60 months or other debt of the borrower, unless the refinancing is in the borrower's interest. The "borrower's interest" standard shall be narrowly construed, and the burden is upon the lender to determine and to demonstrate that the refinancing is in the borrower's interest.
Michigan	No	No	N/A	N/A	Michigan has not enacted any TNB requirements.
Minnesota	Yes	No	O/O	Minn. Stat. Ann. §§ 58.13 (1)(a)(24); 58.13(24); 58.13(25)	May not make a residential mortgage loan without verifying the borrower's reasonable ability to pay the scheduled payments of principal, interest, real estate taxes, homeowner's insurance, assessments, and mortgage insurance premiums. The borrower's income and financial resources must be verified by reliable documents. No person acting as a residential mortgage originator or servicer, including a person required to be licensed under this chapter, and no person exempt from the licensing requirements of this chapter under section 58.04, except as otherwise provided in paragraph (b), shall: engage in "churning." "Churning" means knowingly or intentionally making, providing, or arranging for a residential mortgage loan when the new residential mortgage loan does not provide a reasonable, tangible net benefit to the borrower considering all of the circumstances including the terms of both the new and refinanced loans, the cost of the new loan, and the borrower's circumstances.
Mississippi	No	No	N/A	N/A	Mississippi has not enacted any TNB requirements.
Missouri	No	No	N/A	N/A	Missouri has not enacted any TNB requirements.
Montana	No	No	N/A	N/A	Montana has not enacted any TNB requirements.
Nebraska	No	No	N/A	N/A	Nebraska has not enacted any TNB requirements.
Nevada	Yes	Yes; See NVCRMMW.MSC[5]	O/O	Nev. Rev. Stat. § 598D.100(b)	No lender may knowingly or intentionally make a home loan, other than a reverse mortgage, to a borrower, including, without limitation, a low-document home loan, no-document home loan or stated-document home loan, without determining, using any commercially reasonable means or mechanism, that the borrower has the ability to repay the home loan.
New Hampshire	No	No	N/A	N.H. Rev. Stat. Ann. § 397-A:15(X)	A mortgage banker, broker, and loan originator may not offer or extend a mortgage loan to a borrower unless a reasonable lender would believe at the time the loan is made that the borrower will be able to make the scheduled payments associated with the loan. The loan file must document the analysis used to arrive at that conclusion.
New Jersey	No	No	N/A	N.J. Rev. Stat. § 46:10B-23	The "New Jersey Home Ownership Security Act of 2002," (N.J.S.A. 46:10B-22 et seq.) was amended to delete the covered home loan category and the prohibition on flipping a home loan, shall create no presumption that any home loan that has been refinanced is not unconscionable.

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New Mexico	Yes	No	O/O	N.M. Stat. Ann. § 58-21A-4; NM ADC 12.15.5	No creditor shall knowingly and intentionally engage in the unfair act or practice of flipping a home loan. As used in this subsection, "flipping a home loan" means the making of a home loan to a borrower that refinances an existing home loan when the new loan does not have reasonable, tangible net benefit to the borrower considering all of the circumstances, including the terms of both the new and refinanced loans, the cost of the new loan and the borrower's circumstances; No creditor shall make a home loan without documenting and considering the borrower's reasonable ability to repay that loan pursuant to its terms. The borrower's ability to repay shall be demonstrated through reasonably reliable documentation that may include payroll receipts, tax returns, bank records, asset and credit evaluations, mortgage payment history or other similar reliable documentation. In the case of an adjustable rate home loan, the reasonable ability to pay shall be determined based on a fully indexed rate and repayment schedule that achieves full amortization over the life of the home loan. The costs, as applicable, to be used in determining the borrower's reasonable ability to pay include principal, interest, real estate taxes, property insurance, property assessments, mortgage insurance premiums and other scheduled long-term monthly debt payments.
New York	Yes	No	O/O	N.Y. Comp. Codes R. & Regs. tit. 3, §41.3(b); NY Banking Law §6-l(2)(i)	*High Cost*: A lender or broker may not make a high-cost home loan unless the lender reasonably believes that the borrower(s) will be able to make the scheduled payments to repay the obligation based upon a consideration of their current and expected income, current obligations, employment status, and other financial resources, as verified by detailed documentation. It is presumed that the borrower is able to make the payments if the borrower's total monthly debts, including amounts under the loan, do not exceed 50% of the borrower's monthly gross income; No "loan flipping". No lender or mortgage broker making or arranging a high-cost home loan may engage in the unfair act or practice of "loan flipping". "Loan flipping" is making a home loan to a borrower that refinances an existing home loan when the new loan does not have a tangible net benefit to the borrower considering all of the circumstances, including the terms of both the new and refinanced loans, the cost of the new loan, and the borrower's situation.

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North Carolina	Yes	No	O/O	N.C. Gen. Stat. §§ 24-10.2(c); 24-1.1E(c)(2); 24-1.1F(c)	No lender may knowingly or intentionally engage in the unfair act or practice of "flipping" a consumer home loan. "Flipping" a consumer loan is the making of a consumer home loan to a borrower which refinances an existing consumer home loan when the new loan does not have reasonable, tangible net benefit to the borrower considering all of the circumstances, including the terms of both the new and refinanced loans, the cost of the new loan, and the borrower's circumstances. *High Cost*: A lender may not make a loan unless the lender believes that one or more of the borrowers will be able to make the scheduled payments to repay the obligation based upon an assessment of the borrower's current and expected income, current obligations, employment status, and other financial resources. It is presumed that the borrower is able to make the payments if the borrower's total monthly debts, including amounts under the loan, do not exceed 50% of the borrower's monthly gross income as verified by reasonable means; *Rate Spread Home Loan*: A lender may not make a loan based on the borrower's collateral without due regard to the borrower's repayment ability. A lender must apply the methodology and standards for the determination of a borrower's repayment ability set forth in 12 C.F.R. §226.34(a)(4) and the related Official Staff Commentary.
North Dakota	No	No	N/A	N/A	North Dakota has not enacted any TNB requirements.
Ohio	Yes	No	O/O	Ohio Rev. Code §§ 1345.031; 1349.27; Ohio Admin. Code § 109:4-3-26	A supplier may not enter into a mortgage loan knowing there was no reasonable probability of payment of the loan by the borrower; A supplier shall not knowingly or intentionally engage in the act or practice of "flipping" a mortgage loan by making a residential mortgage loan that refinances an existing mortgage loan when the new loan does not have a reasonable, tangible net benefit to the consumer considering all of the circumstances, including the terms of both the new and refinanced loans, the cost of the new loan, and the consumer's circumstances; *High Cost*: A creditor shall not engage in a pattern or practice of extending credit to consumers under covered loans based on the consumers' collateral without regard to the consumers' repayment ability, including the consumers' current and expected income, current obligations, and employment.
Oklahoma	Yes	No	O/O	14A Okla. Stat. § 3-410(2)(d); 3-411; OK ADC 160:45-9-4	Creditor may not refinance any consumer loan to the same borrower into a subsection 10 mortgage, unless the refinancing is in the borrower's interest. Within one year of having made a subsection 10 mortgage, a creditor may not refinance subsection 10 mortgage to the same borrower into another subsection 10 mortgage, unless the refinancing is in the borrower's interest. An assignee holding or servicing a subsection 10 mortgage may not, for the remainder of the one-year period following the date of origination of the credit, refinance any subsection 10 mortgage to the same borrower into another subsection 10 mortgage, unless the refinancing is in the borrower's interest.
Oregon	Yes	No	O/O	Or. Rev. Stat. § 86A.195(2)	*Negative Amortization Loan:* A mortgage banker, broker or loan originator may not negotiate or make, or offer to negotiate or make, a negative amortization loan without regard to the borrower's repayment ability at the time the loan is made, including the borrower's current and reasonably expected income, employment, assets other than the collateral, current obligations and mortgage related obligations.

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Pennsylvania	Yes	No	N/A	10 Pa. Code § 46.2(g), (j)(3); 63 Pa. Cons. Stat. Ann. § 456.512(b)	A lender or broker may not: (1) offer a loan without having reasonably determined, based on the documents and information provided, that the applicant will have the ability to repay the loan in accordance with the loan terms and conditions by final maturity at the fully indexed rate; and (2) advise or induce an applicant to refinance an existing loan or otherwise enter into a new financial obligation without performing the ability to repay analysis. In performing an analysis to determine whether an applicant will have the ability to repay an offered loan, a lender or broker must consider, verify and document: (1) the income of the applicant; and (2) the fixed expenses of the applicant; *High Cost* : A lender may not engage in a pattern or practice of making covered loans based on the collateral without considering the borrower's ability to pay. The borrower's ability to repay includes the borrower's current and expected income, current obligations as disclosed to the lender by the loan application and the borrower's credit report, and employment status. It is presumed that the borrower is able to make the payments if the borrower's total monthly debts, including amounts under the loan, do not exceed 50% of the borrower's monthly gross income.
Rhode Island	Yes	Yes; See RITNB.MSC[6]	O/O	R.I. Gen. Laws § 34-25.2-5(b); R.I. Banking Regulation 3 § 5(B)(ii); 34-25.2-6(h)	*Home Loan* : Creditors may not knowingly or intentionally engage in flipping a home loan. "Flipping a home loan" is the making of a home loan to a borrower that refinances an existing home loan that was consummated within the prior 60 months when the new loan does not have reasonable, tangible net benefit to the borrower considering all of the circumstances, including, but not limited to, the terms of both the new and refinanced loans, the cost of the new loan, and the borrower's circumstances; *High Cost* : A high-cost home loan must not be extended to a borrower unless a reasonable lender would believe at the time the loan is closed that one or more of the borrowers will be able to make the scheduled payments associated with the loan, It is presumed that the borrower is able to make the payments if the borrower's total monthly debts, including amounts under the loan, do not exceed 50% of the borrower's monthly gross income.
South Carolina	Yes	No	O/O	S.C. Code Ann. §§ 37-23-20; 37-23-70(A)	A lender may not engage knowingly or intentionally in the unfair act or practice of "flipping" a consumer home loan. Flipping" a consumer home loan means the making of a consumer home loan that refinances within 42 months an existing consumer home loan of the borrower when the new loan does not have a reasonable, tangible net benefit to the borrower, considering all the circumstances, including the terms of both the new and refinanced loans, the cost of the new loan, and the borrower's circumstances.
South Dakota	No	No	N/A	N/A	South Dakota has not enacted any TNB requirements.

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Tennessee	Yes	No	O/O	Tenn. Code Ann. § 45-20-103	*High Cost* : No lender shall knowingly or intentionally make a high-cost home loan that refinances, within 30 months, an existing home loan or high-cost home loan of the borrower, when the new loan does not have a reasonable benefit to the borrower, considering all the circumstances, including the terms of both the new and refinanced loans, the economic and noneconomic circumstances, the cost of the new loan, and the borrower's circumstances. A high-cost home loan must not be extended to a borrower unless a reasonable lender would believe at the time the loan is closed that one or more of the borrowers will be able to make the scheduled payments associated with the loan, It is presumed that the borrower is able to make the payments if the borrower's total monthly debts, including amounts under the loan, do not exceed 50% of the borrower's monthly gross income.
Texas	Yes	No	O/O	Tex. Fin. Code Ann. § 343.204(b)	*High Cost* : A lender may not extend high-cost home loans based on a borrower's collateral without regard to the borrower's and/or cosigner's repayment ability, including current and expected income, current obligations, employment status, and other financial resources, other than the obligor's equity in the dwelling that secures repayment of the loan.
Utah	No	No	N/A	N/A	Utah has not enacted any TNB requirements.
Vermont	No	No	N/A	N/A	Vermont has not enacted any TNB requirements.
Virginia	Yes	No	O/O	Va. Code §§ 6.1-422.1; 6.1-422(B)(6)	No mortgage lender or broker shall knowingly or intentionally engage in the act or practice of "flipping" a mortgage loan. "Flipping" a mortgage loan means refinancing a mortgage loan within 12 months following the date the refinanced mortgage loan was originated, unless the refinancing is in the borrower's best interest. No mortgage broker shall fail to make reasonable efforts to secure a mortgage loan that is in the best interests of the applicant.
Washington	Yes	No	O/O	Wash. Admin. Code § 208-620-506	A lender's underwriting analysis of a borrower's residential mortgage loan application must include, at a minimum, a determination of the borrower's ability to repay the loan. The analysis of a borrower's repayment capacity must include: (1) the debt to income ratio; (2) the assets, net worth, or equity; and (3) any prepayment penalty clauses.
West Virginia	Yes	Yes; See WVTNBW.MSC[7]	O/O	W. Va. Code §§ 31-17-8(d); 46A-4-111(2): WV Code of State Rules §§106-5-3(q); 106-5-6(o)	Where loan origination fees, investigation fees or points have been charged by the licensee, the charges may not be imposed again in any refinancing of that loan or any additional loan on that property made within 24 months thereof, unless the new loan has a reasonable, tangible net benefit to the borrower considering all of the circumstances, including the terms of both the new and the refinanced loans, the cost of the new loan and the borrower's circumstances; No nonrevolving consumer loan or consumer credit sale that is secured by residential real estate may be refinanced or consolidated with a new loan secured by residential real estate and made under WV Consumer Credit and Protection Act, unless the new loan has a reasonable, tangible net benefit to the borrower considering all of the circumstances, including the terms of both the new and the refinanced loans, the cost of the new loan and the borrower's circumstances; Licensee's shall document this tangible net benefit in writing on a form prescribed by the commissioner and maintain such documentation in the loan file.

State	Is Creditor required to determine a TNB to the Borrower?	Does Creditor need to provide Borrower a TNB Disclosure?*	Occupancy Status	Citations	Notes
Wisconsin	Yes	No	O/O	Wis. Stat. Ann. § 428.203(6)	*Covered Loan* : A lender may not engage in a pattern or practice of making covered loans based on the borrower's collateral without regard to the borrower's ability to repay, including the borrower's current or expected income, current obligations, and employment. A lender should verify and document this information.
Wyoming	No	No	N/A	N/A	Wyoming has not enacted any TNB requirements.

* DocMagic has prepared a generic net tangible benefit form that may be used when one is not required by applicable state law. See BCNTB.DSC (Borrower's Certificate of Net Tangible Benefit).

[1] Link to Colorado's Model Form: http://www.dora.state.co.us/Real-estate/mortgage/documents/Colorado_Tangible_Net_Benefit_Disclosure.pdf.
[2] Link to Maine's Model Form: http://www.maine.gov/pfr/consumercredit/documents/Net_benefit_form.rtf.
[3] Link to Maryland's Model Form: http://www.dllr.state.md.us/forms/frnettangiblebenefitsworksheet.doc.
[4] The Massachusetts Division of Banks does not provide a model form.
[5] Link to Nevada's Model Form: http://www.mld.nv.gov/NEW_FORMS/AB_440_Income_Documentation_Worksheet_Interactive.pdf.
[6] Link to Rhode Island's Model Form: http://www.dbr.state.ri.us/documents/rules/banking_securities/Form3_HLPA.pdf.
[7] Link to West Virginia's Model Form: http://www.wvdob.org/professionals/docs/Tangible_Net_Benefit_Worksheet_2002.doc.