Due to financed closing costs, I understand that the principal balance of my proposed loan will increase by approximately _________, and that I will pay approximately _______ in out-of-pocket closing costs. I also understand that with the estimated _________ in monthly savings on my house payment, that it will take approximately _________ months or _______ years to recoup my estimated total costs for the new loan (B divided by A).

I certify that I (check one) ( ) currently occupy, or ( ) previously occupied the property referenced above as my primary residence.

______________________________             ________________________________
Veteran                                      Date

______________________________             ________________________________
Spouse                                      Date

(1) The interest rate on the new loan must be lower than the interest rate on the old loan unless the old loan is an ARM and the new loan is a fixed rate.
(2) The maximum loan term is the original term of the old loan plus 10 years, with the maximum maturity date being 30 years and 32 days from date of closing.
(3) The P & I payment on the new loan must be less than the P & I payment on the old loan unless one of these exceptions applies:
(a) the old loan is an ARM and the new loan is a fixed rate, or (b) the term of the new loan is shorter than the term of the old loan, or
(c) allowable energy efficient improvements are included in the new loan.
(4) If the monthly payment (PITI) increases by 20% or more, the lender must:
(a) determine, and (b) include a certification, that the Veteran qualifies for the new monthly payment.