# Test Case DI-FHA04: Two-Borrower FHA Cash-Out Refinance Loan

The purpose of this test case is to show lenders how to collect information on the redesigned URLA forms and create an XML submission file to DU for an FHA cash-out refinance for two borrowers.

# Narrative for Data Integrity Suite Test Case DI-FHA04:

In this use case, one URLA-Borrower form and one URLA-Additional Borrower form are used, along with the URLA-Lender form.

## Key Loan Characteristics

* FHA
* Fixed – 30 Year
* 2 Unit
* Refi – Cash-Out
* Primary Residence
* Patrick and Lorraine Purchaser

## Other Data Elements Stressed in the Test Case

* Proper calculation of Line D of Qualifying the Borrower for a Cash-Out Refinance
* Payoff of non-subject property debt
* Required data point *ULAD:PositiveRentalHistoryIndicator* = “false”

## Section 1: Borrower Information

The Purchasers’ primary residence is a detached, duplex home at 1234 Main, Baltimore, MD 20600-1234. Both work – Patrick at Ammanom and Lorraine at Baddabap. In addition to their salaries, they have boarder income and unspecified other income.

## Section 2: Financial Information – Assets and Liabilities

The Purchasers are taking advantage of low interest rates and the substantial equity they have in their primary residence, to refinance, pull cash out, and pay off all other existing debts totaling $3,037. The refinance will also save the Purchasers $250 per month in housing expenses. They asked Lorraine’s Uncle Joe for some help with the closing costs, and he gave them $3,000. They have a trust account which currently has a balance of $15,000.

## Section 3: Financial Information – Real Estate

Patrick and Loraine Purchaser own the property they are refinancing. The outstanding lien is $145,000 which they will be paying off with the refinance transaction and their monthly maintenance expense (taxes, insurance, etc.) is currently $224 per month.

## Section 4: Loan and Property Information

Patrick and Lorraine are refinancing their primary residence at 1234 Main, Baltimore, MD 20600-1234.

Their total loan amount is $157,712, which is a base amount of $155,000 plus financed Mortgage Insurance Premium of $2,712. They will not have any other new mortgages on the property, and there is no rental income to be calculated.

## Section 5 Declarations, Section 6 Acknowledgments, Section 7 Military Service, and Section 8 Demographics

Patrick and Loraine Purchaser are married, and Patrick indicated he is a veteran. Both borrowers completed the declaration section, but their gender, ethnicity and race information were not captured by the lender.

## Section 9: Loan Originator Information

## The loan originator provided their contact and license information and signed the loan application.

## Lender Loan Information

John Done at ABC Mortgage offered the borrowers a 30-year FHA, Fixed Rate loan in the amount of $155,000, at an interest rate of 4.000%.

## Closing Information

The estimated total closing costs are $1,800 plus prepaid items of $799. The entire $2,712 Mortgage Insurance Premium will be financed by rolling the amount into the loan, so the Purchasers will get $4,364 cash back at the closing.

## Supplemental Consumer Information Form (SCIF)

Patrick reported that he attended a Housing Counseling program on April 22, 2024, in Face-to-Face format.