# Test Case DI-C03: Two-Borrower Cash-Out Refinance Loan on Second Home

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 a cash-out refinance of a second home for two borrowers.

# Narrative for Data Integrity Suite Test Case DI-C03:

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

## Key Loan Characteristics

* Conventional
* Fixed – 30 Year
* 1 Unit in Condominium Project
* Refi – Cash-Out
* Second/Vacation

## Other Data Elements Stressed in the Test Case

* Proper calculation of Lines D and E of Qualifying the Borrower for a Cash-Out Refinance
* Subject property second home is a condominium
* Retained primary residence is a cooperative

## Section 1: Borrower Information

Andy and Amy America are sending their daughter off to college. Rather than sell their escape by the sea, they have chosen to refinance their second home to take out the cash they will need for tuition. The America’s primary residence is in a cooperative project located in Someplace, MA. Andy’s primary employment is at Abacus and Amy’s primary employment is at Aardvark. In addition to their salaries, they have other income from foster care, capital gains, and Amy’s miscellaneous income. Andy and Amy America’s remaining personal, employment and income information are found in this section of Form 1003.

## Section 2: Financial Information – Assets and Liabilities

Andy and Amy America’s asset and liability information are found in this section of Form 1003.

## Section 3: Financial Information – Real Estate

Andy and Amy America’s real estate information is found in this section of Form 1003. The America’s second home is in a condominium project located at 1234 Ocean Pines #823, Rehobeth, MD 21857

## Section 4: Loan and Property Information

Andy and Amy America’s loan and property information are found in this section of Form 1003. They will not have any other new mortgages on the property and there is no rental income to be calculated. They will also not receive any gifts or grants for this loan.

## Section 5 Declarations, Section 6, Section 7 Demographics, and Section 8 Loan Originator

## Andy and Amy America answered all the declarations, signed the loan application and provided their ethnicity, sex, and race information on the Form 1003. The loan originator also provided their information.

## Lender Loan Information

John Done at ABC Mortgage offered the borrowers a 30-year conventional, Fixed Rate loan in the amount of $250,400, at an interest rate of 5.250%.

In addition to the existing mortgage of $210,027 on the second home, Andy and Amy have agreed to pay off 2 of their small revolving accounts prior to closing in the amount of $1,807. The estimated closing costs are $6,285. Borrower Paid Fees of $950 are reflected as Other Credits for the closing. The net result is that Andy and Amy will receive $33,231 at the closing.