

**LIMITED 203(k) REFINANCE TRANSACTION
MAXIMUM MORTGAGE CALCULATION**

| Step 1: | Establishing Financeable Repairs and Improvement Costs , Fees and Reserves | |
|-----------|--|----------|
| A. | Financeable Repair and Improvement Costs and Fees Total <i>(Sum of A1 thru A4)</i> | \$ _____ |
| | 1. Costs of construction, repairs and rehabilitation | \$ _____ |
| | 2. Inspection Fees <i>(For work performed during rehabilitation)</i> | \$ _____ |
| | 3. Title Update Fees | \$ _____ |
| | 4. Permit Fees | \$ _____ |
| B. | Financeable Contingency Reserves | \$ _____ |
| C. | Financeable Mortgage Fees <i>(Sum of C1 and C2)</i> | \$ _____ |
| | 1. Origination Fee (Greater of \$350 or 1.5% of <i>(Sum of 1A+1B)</i>) | \$ _____ |
| | 2. Discount Points on 1A | \$ _____ |
| D. | Total Rehabilitation Costs, Fees and Reserves <i>(Sum of 1A , 1B & 1C)</i> (Not to exceed \$35,000) | \$ _____ |

| Step 2: | Establishing Value | |
|-----------|--|----------|
| A. | Existing Debt on property being refinanced | \$ _____ |
| B. | Total Rehabilitation Costs, Fees and Reserves <i>(Step 1E)</i> | \$ _____ |
| C. | Fees Associated with the new loan | \$ _____ |
| D. | Sum of 2A + 2B + 2C | \$ _____ |
| E. | As-Is Property Value <i>(As-is Appraisal required for properties acquired <12 mos. before case # assignment date (except gift/inheritance), OR if Step 2D >Step 2G)</i> | \$ _____ |
| F. | Adjusted As-Is Value <i>(If As-is appraisal is obtained, then the As-is property value (Step 2E) = Adjusted As-Is Value, OR if As-is appraisal is not obtained, then Step 2A + 2C = Adjusted As-is Value)</i> | \$ _____ |
| G. | After Improved Value <i>(Appraisal Subject to Repairs and Improvement)</i> | \$ _____ |

Mortgagees must consult HUD Handbook 4000.1 for detailed guidance on all 203(k) loan transactions.

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| Step 3: Calculating Maximum Mortgage Amount | | | |
|--|---|------------------------------|---------------------------------|
| A. | Step 2D total | | \$ _____ |
| B. | Sum of Step 2F + Step 2B (Adjusted As-is Value + Total Rehab costs) | | \$ _____ |
| C. | Step 2G (After improved value) x 110% (100% if Condo) | | \$ _____ |
| D. | Lesser of (Step 3B or 3C) x LTV Factor from Step 3G _____% | | \$ _____ |
| E. | Nationwide Mortgage Limit | | \$ _____ |
| F. | Lesser of (3A, 3D, or 3E) = Initial Base Mortgage Amount | | \$ _____ |
| G. | Determining Loan-to-Value Factor for Maximum Mortgage Eligibility _____% | | |
| | Basis | Criteria | Maximum LTV Factor |
| | MDCS | At or above 580 | <input type="checkbox"/> 97.75% |
| | MDCS | Between 500 and 579 | <input type="checkbox"/> 90% |
| | Secondary Residences | With HOC Approval | <input type="checkbox"/> 85% |
| | No Credit Score | Manual Underwriting required | <input type="checkbox"/> 97.75% |
| Note: MDCS = Minimum Decision Credit Score | | | |

| Step 4: Additions to Initial Base Mortgage Amount for EEM, and/or Solar/Wind Energy | | | |
|---|--|--|----------|
| Note: If no EEM or Solar/Wind addition, then Final Base Mortgage amount (4G) = Step 3F | | | |
| A. | Energy Efficient Mortgage (EEM) Improvement Amount | | \$ _____ |
| B. | Intermediate Base Mortgage Amount = Step 3F + Step 4A | | \$ _____ |
| C. | Solar/Wind Energy System Actual Cost | | \$ _____ |
| D. | Step 2G x 20% (After-Improved Value x 20%) | | \$ _____ |
| E. | Lesser of (Step 4C or Step 4D) = Maximum financeable Solar/Wind Energy amount | | \$ _____ |
| F. | Step 3E x 120% (Nationwide Mortgage Limit x 120%) | | \$ _____ |
| G. | Final Base Mortgage Amount = Lesser of (Sum of Step 4B + Step 4E) or Step 4F | | \$ _____ |

| Step 5: Calculating the LTV for Application of Annual MIP | | | |
|--|--|--|--------|
| A. | MIP LTV = 4G divided by 2G (Final Base Mortgage Amount divided by After Improved Value) | | _____% |

| Step 6: Establishing the Rehabilitation Escrow Account | | | |
|---|--|----------|----------|
| A. | Repair and Improvement Costs, Fees & Reserves (Step 1D) | | \$ _____ |
| B. | Initial Draw at Closing Total (Sum of B1 thru B4) | | \$ _____ |
| | 1. Permit Fees | \$ _____ | |
| | 2. Origination Fees (Step 1: C1) | \$ _____ | |
| | 3. Discount Points (Step 1: C2) | \$ _____ | |
| | 4. Up to 50% of materials costs for items ordered but not yet paid for (under contract for delivery) | \$ _____ | |
| C. | Rehabilitation Escrow Amount Balance for future draws = 6A minus 6B | | \$ _____ |

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