

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

Step 1:	Establishing Financeable Repairs and Improvement Costs , Fees and Reserves	
<b>A.</b>	<b>Financeable Repair and Improvement Costs and Fees Total</b> <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>B.</b>	<b>Financeable Contingency Reserves</b>	\$ _____
<b>C.</b>	<b>Financeable Mortgage Fees</b> <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	\$ _____
<b>D.</b>	<b>Total Rehabilitation Costs, Fees and Reserves</b> <i>(Sum of 1A , 1B &amp; 1C)</i> <b>(Not to exceed \$35,000)</b>	\$ _____

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

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<b>Step 3: Calculating Maximum Mortgage Amount</b>			
<b>A.</b>	<b>Step 2D total</b>		\$ _____
<b>B.</b>	<b>Sum of Step 2F + Step 2B (Adjusted As-is Value + Total Rehab costs)</b>		\$ _____
<b>C.</b>	<b>Step 2G (After improved value) x 110% (100% if Condo)</b>		\$ _____
<b>D.</b>	<b>Lesser of (Step 3B or 3C) x LTV Factor from Step 3G _____%</b>		\$ _____
<b>E.</b>	<b>Nationwide Mortgage Limit</b>		\$ _____
<b>F.</b>	<b>Lesser of (3A, 3D, or 3E) = Initial Base Mortgage Amount</b>		\$ _____
<b>G.</b>	<b>Determining Loan-to-Value Factor for Maximum Mortgage Eligibility _____%</b>		
	<b>Basis</b>	<b>Criteria</b>	<b>Maximum LTV Factor</b>
	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%
<b>Note:</b> MDCS = Minimum Decision Credit Score			

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

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

<b>Step 6: Establishing the Rehabilitation Escrow Account</b>			
<b>A.</b>	<b>Repair and Improvement Costs, Fees &amp; Reserves (Step 1D)</b>		\$ _____
<b>B.</b>	<b>Initial Draw at Closing Total (Sum of B1 thru B4)</b>		\$ _____
	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)	\$ _____	
<b>C.</b>	<b>Rehabilitation Escrow Amount Balance for future draws = 6A minus 6B</b>		\$ _____

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