

**STANDARD 203(k) PURCHASE TRANSACTION  
MAXIMUM MORTGAGE CALCULATION**

<b>Step 1: Establishing Financeable Repair and Improvement Costs, Fees and Reserves</b>		
<b>A.</b>	<b>Repair and Improvement Costs and Fees Total (Sum of A1 thru A7)</b>	\$ _____
	1. Costs of construction, repairs and rehabilitation	\$ _____
	2. Architectural or Engineering Professional Fees	\$ _____
	3. 203(k) Consultant Fees	\$ _____
	4. Inspection Fees (For work performed during rehabilitation)	\$ _____
	5. Title Update Fees	\$ _____
	6. Permit Fees	\$ _____
	7. Feasibility Study when necessary	\$ _____
<b>B.</b>	<b>Financeable Contingency Reserves</b>	\$ _____
<b>C.</b>	<b>Financeable Mortgage Payments Reserves</b>	\$ _____
<b>D.</b>	<b>Financeable Mortgage Fees Total (Sum of D1 and D2)</b>	\$ _____
	1. Origination Fee (Greater of \$350 or 1.5% of (Sum of 1A, 1B and 1C))	\$ _____
	2. Discount Points on 1A	\$ _____
<b>E.</b>	<b>Total Rehabilitation Costs, Fees and Reserves (Sum of 1A , 1B, 1C &amp; 1D)</b>	\$ _____

<b>Step 2: Establishing Value</b>		
<b>A.</b>	<b>Purchase Price</b>	\$ _____
<b>B.</b>	<b>Inducement to Purchase</b>	\$ _____
<b>C.</b>	<b>Purchase Price Less Inducement to Purchase</b>	\$ _____
<b>D.</b>	<b>As-Is Property Value</b> <i>(As-Is Appraisal may be required to comply with Property Flipping guidelines)</i>	\$ _____
<b>E.</b>	<b>Adjusted As-Is Value</b> <i>(If As-is appraisal is obtained, then the As-is property value (Step 2D) = Adjusted As-Is Value, OR if As-is appraisal <b>is not</b> obtained, then Step 2C = Adjusted As-is Value)</i>	\$ _____
<b>F.</b>	<b>After-Improved Value (Appraisal Subject to repairs and Improvements)</b>	\$ _____

<b>Step 3: Calculating Maximum Mortgage</b>			
<b>A.</b>	<b>Step 2E + Step 1E (Adjusted As-Is Value + Step 1 Total)</b>		\$ _____
<b>B.</b>	<b>Step 2F (After-Improved Value) X 110% (100% if Condo)</b>		\$ _____
<b>C.</b>	<b>Lesser of 3A or 3B (\$ _____) x Maximum LTV Factor from 3F _____%</b>		\$ _____
<b>D.</b>	<b>Nationwide Mortgage Limit</b>		\$ _____
<b>E.</b>	<b>Initial Base Mortgage Amount = Lesser of 3C or 3D</b>		\$ _____
<b>F.</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"/> 96.5%
	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"/> 96.5%
	<b>Note:</b> MDCS = Minimum Decision Credit Score		

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

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<b>Step 4: Additions to Initial Base Mortgage Amount for EEM, and/or Solar/Wind Energy</b>		
<i>Note: If no EEM or Solar/Wind additions, then Initial Base Mortgage amount (3F) = Final Base Mortgage amount (4G)</i>		
<b>A.</b>	<b>Energy Efficient Mortgage (EEM) Improvement Amount</b>	\$ _____
<b>B.</b>	<b>Step 3E + Step 4A</b> <i>(Initial Base Mortgage Amount + EEM Improvement Amount)</i>	\$ _____
<b>C.</b>	<b>Solar/Wind Energy System Actual Cost</b>	\$ _____
<b>D.</b>	<b>Step 2F 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 2F (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 1E)</b>	\$ _____
<b>B</b>	<b>Initial Draw at Closing Total (Sum of B1 thru B7)</b>	\$ _____
	1. 203k Consultant Fees	\$ _____
	2. Architectural or Engineering Fees	\$ _____
	3. Permit Fees	\$ _____
	4. Origination Fees (Step 1: D1)	\$ _____
	5. Discount Point (Step 1: D2)	\$ _____
	6. Material costs for items ordered & prepaid by Borrower/or contractor (under contract for delivery)	\$ _____
	7. 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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