

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

Step 1:	Establishing Financeable Repair and Improvement Costs, Fees and Reserves	
<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 (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 ( <i>Greater of \$350 or 1.5% of (sum of 1A, 1B and 1C)</i> )	\$ _____
	2. Discount Points on 1A	\$ _____
<b>E.</b>	<b>Total Rehabilitation Costs, Fees and Reserves (Sum of 1A , 1B, 1C &amp; 1D)</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 (Step 1E)</b>	\$ _____
<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 <u>is not</u> obtained, then Step 2A + 2C = Adjusted As-is Value)</i>	\$ _____
<b>G.</b>	<b>After Improved Value (Appraisal Subject to Repairs and Improvement)</b>	\$ _____

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

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<b>Step 3: Calculating Maximum Mortgage Amount</b>			
<b>A.</b>	<b>Step 2D total</b> ( <i>Sum of 2A+2B+2C</i> )		\$ _____
<b>B.</b>	<b>Sum of Step 2F + Step 2B</b> ( <i>Adjusted As-is Value + Total Rehab costs</i> )		\$ _____
<b>C.</b>	<b>Step 2G</b> ( <i>After improved value</i> ) x <b>110%</b> (100% if Condo)		\$ _____
<b>D.</b>	<b>Lesser of (Step 3B or 3C) x Maximum 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>Determine 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%
<i>Note:</i> MDCS = Minimum Decision Credit Score			
<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 3F + 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 2G x 20%</b> ( <i>After-Improved Value x 20%</i> )		\$ _____
<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%</b> ( <i>Nationwide Mortgage Limit x 120%</i> )		\$ _____
<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</b> ( <i>Final Base Mortgage Amount divided by After Improved Value</i> )		_____ %
<b>Step 6: Establishing the Rehabilitation Escrow Account</b>			
<b>A</b>	<b>Repair and Improvement Costs, Fees &amp; Reserves</b> ( <i>Step 1 Total</i> )		\$ _____
<b>B</b>	<b>Initial Draw at Closing Total</b> ( <i>Sum of B1 thru B7</i> )		\$ _____
	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	\$ _____
<b>C.</b>	<b>Rehabilitation Escrow Amount Balance for future draws = 6A minus 6B</b>		\$ _____

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