

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

Step 1: Establishing Financeable Repair and Improvement Costs, Fees and Reserves		
A.	Repair and Improvement Costs and Fees Total (Sum of A1 thru A7)	\$ _____
	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.	Financeable Contingency Reserves	\$ _____
C.	Financeable Mortgage Payments Reserves	\$ _____
D.	Financeable Mortgage Fees Total (Sum of D1 and D2)	\$ _____
	1. Origination Fee (Greater of \$350 or 1.5% of (sum of 1A,1B and 1C))	\$ _____
	2. Discount Points (Applied to Sum of 1A,1B and 1C)	\$ _____
E.	Total Rehabilitation Costs, Fees and Reserves (Sum of 1A , 1B, 1C & 1D)	\$ _____

Step 2: Establishing Value		
A.	Existing Debt on property being refinanced	\$ _____
B.	Total Rehabilitation Costs, Fees and Reserves (Step 1E)	\$ _____
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 2A + 2B >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 (Appraisal Subject to Repairs and Improvement)	\$ _____

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

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

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Step 6:	Establishing the Rehabilitation Escrow Account		
A.	Rehabilitation Escrow Account	<i>(Sum of A1 thru A3)</i>	\$ _____
	1. Repair and Improvement Costs, Fees & Reserves (Step 1E)	\$ _____	
	2. Cost of EEM, weatherization or solar energy systems	\$ _____	
	3. Borrowers Own Funds for Contingency Reserves (if not financed in 6:A1)	\$ _____	
B.	Initial Draw at Closing Total	<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 Points (Step 1:D2)	\$ _____	
	6. Material costs for items ordered & prepaid by Borrower/or contractor under contract for delivery	\$ _____	
	7. Up to 50% of materials not yet paid for by the Borrower/or contractor	\$ _____	
C.	Rehabilitation Escrow Amount	Balance for future draws = 6A minus 6B	\$ _____

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