

203 (k) and Streamlined (k) Maximum Mortgage Worksheet

See Public Reporting Statement on the back before completing this form (see Notes 1 thru 8 on back)

U.S. Department of Housing and Urban Development
Office of Housing
Federal Housing Commissioner

OMB Approval No. 2502-0527
(exp.7/31/2017)

Borrower's Name and Property Address (including street, city, state, & zip)		FHA Case Number	No. of Units	HUD REO ? <input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> Purchase <input type="checkbox"/> Refinance <input type="checkbox"/> Streamlined (k) (Note 6) Purchase Date (owned less than 12 Mos.)	
		Type: <input type="checkbox"/> Owner-occupant <input type="checkbox"/> Nonprofit <input type="checkbox"/> Government Agency				
A. Property Information	1. Contract Sales Price: OR <input type="checkbox"/> Existing Debt \$	2. "As-is" Value (Note 1) \$	3. After-Improved Value \$	4. 110% of A3 (Note 8) \$	5. Borrower's Pd. Closing Costs + Prepays (Refinance) \$	6. Allowable energy Improvements (Note 2) \$
B. Rehabilitation and Other Allowable Costs	1. Total Cost of Repairs (line 36, HUD-9746-A) includes the improvements in A6 and REO Lead Based Paint Stabilization					\$
	2. Contingency Reserve on Repair Costs (%) (10 to 20% of B1)					\$
	3. Inspection Fees (x \$ per inspection) + Title Update Fee (x \$ per draw)					\$
	4. Mortgage Payments Escrowed (months x \$) if uninhabited (Note 7)					\$
	5. Sub-Total for Rehabilitation Escrow Account (Total of B 1 thru B 4)					\$
	6. Architectural and Engineering Fees (Exhibits) (Note 7)					\$
	7. Consultant Fees (including mileage, if applicable) (+ miles @ /mile) (Note 7)					\$
	8. Permits					\$
	9. Other Fees (Explain in Remarks)					\$
	10. Sub-Total (Total of B 5 thru B 9)					\$
	11. Supplemental Origination Fee for both 203k and Streamlined (k) (greater of \$350 or 1.5% of B 10)					\$
	12. Discount Points on Repair Costs and Fees (B 10 X %)					\$
	13. Sub-Total for Release at Closing (Total of B 6 thru B 9 + B 11 and B 12) (Note 3)					\$
	14. Total Rehabilitation Cost (Total of B 5 and B 13 minus A 6) (Streamlined (k) can not exceed \$35,000.)					\$
C. Mortgage Calculation for Purchase Transactions	1. Lesser of Sales Price (A1) or As-Is Value (A2)					\$
	2. Total Rehabilitation Cost (B14)					\$
	3. Lesser of Sum of C1 + C2 (\$) or 110% of After-Improved Value (A4)					\$
	4. Base Mortgage Amount Sum of C3 + (-) Required Adjustment (Note 4) (\$) X LTV Factor (96.5) (Owner-Occupant) or Less Allowable Down payment/ HUD-Owned Property (\$) (Note 5)					\$
D. Mortgage Calculation for Refinance Transactions	1. Sum of Existing Debt (A1) + Rehabilitation Cost (B 14) + Estimated Closing Costs (A5) + Prepays + Discount on Total Loan Amount minus Discount on Repair Costs (B12) minus FHA MIP Refund (\$)					\$
	2. Lesser of Sum of As-Is Value (A2) (Note 1) + Rehabilitation Costs (B14) (\$) or 110% of After-Improved Value (A4)					\$
	3. D2 (\$) X LTV Factor (Owner-Occupant)					\$
	4. Base Mortgage Amount Lesser of D1 or D3 (Note 5)					\$
E. Calculation for EEM	1. Energy Efficient Mortgage (EEM) Amount (C4 or D4) + A6 (Note 2)					\$
F. Summary	UFMIP Factor %	UFMIP \$	Total Escrowed Funds \$	Interest Rate %	Discount Pts.	
	Total Mortgage Amount with UFMIP (C4, D4 OR E1 + UFMIP)					\$
DE Underwriter's Signature, Title and Date:					CHUMS No.	
Borrower's Signature & Date (Optional)			Co-Borrower's Signature and Date (Optional)			



Remarks (Continue on separate page if needed)

Notes:

1. If owned less than 1 year, use lesser of A2 or Original Acquisition Cost plus Debts incurred for rehabilitation since acquisition.
2. Refer to Mortgagee Letters 05-21, 95-46, and 93-13.
3. These Allowable Costs may be released at closing, provided paid receipts or contractual agreements requiring payment are obtained
4. Required Adjustments would include additions such as financeable repairs and improvements, energy related weatherization items, and solar energy systems, as well as subtractions including sales concessions in excess of six percent of the sales price, inducements to purchase, personal property items, etc., all as per HUD Handbook 4155.1 (May also include HUD REO Lead Based Paint Credit.)
5. Maximum Mortgage before UFMIP not to exceed statutory limit.
6. See ML 2005-50.
7. Not applicable to Streamline 203(k) transactions.
8. If Condominium limit to 100% of A3

Public reporting burden for this collection of information is estimated to average 25 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and the completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays and currently valid OMB control number.

This information collection involves an expanded information requirement for lenders that originate and service Section 203(k) mortgages. The purpose of the information is to help mitigate program abuses. The expanded information focuses on the loan origination process and requires increased documentation and strengthened internal control procedures. Periodic reporting of the information is not required. The information also includes information that was voluntarily accepted by the 203(k) lending community. The information provides a more comprehensive basis for evaluating lender underwriting practices and thereby improves risk management of the 203(K) loan portfolio. Responses are required under Section 203(k) of the National Housing Act (12 U.S. C. 1703). No assurance of confidentiality if provided.



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

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

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

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

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



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

Step 4:	Additions to Initial Base Mortgage Amount for EEM, and/or Solar/Wind Energy <i>Note: 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 3E + Step 4A <i>(Initial Base Mortgage Amount + EEM Improvement Amount)</i>	\$
C.	Solar/Wind Energy System Actual Cost	\$
D.	Step 2F 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 + 4E) or Step 4F	\$

Step 5:	Calculating the LTV for Application of Annual MIP <i>Note: 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 2F (Final Base Mortgage Amount divided by After Improved Value) _____%	

Step 6:	Establishing the Rehabilitation Escrow Account	
A	Rehabilitation Escrow Account (Sum of A1 thru A3)	\$
	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 (Sum of B1 thru B7)	\$
	1. Prepaid 203k Consultant Fees	\$
	2. Prepaid 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 by the Borrower /or contractor	\$
C.	Rehabilitation Escrow Amount Balance for Future Draws = 6A minus 6B	\$

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



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

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

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

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

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



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

Step 4:	Additions to Initial Base Mortgage Amount for EEM, and/or Solar/Wind Energy <i>Note: 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 3E + Step 4A <i>(Initial Base Mortgage Amount + EEM Improvement Amount)</i>	\$
C.	Solar/Wind Energy System Actual Cost	\$
D.	Step 2F 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 <i>Note: 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 2F (Final Base Mortgage Amount divided by After Improved Value) _____%	

Step 6:	Establishing the Rehabilitation Escrow Account	
A	Rehabilitation Escrow Account (Sum of A1 thru A3)	\$
	1. Repair and Improvement Costs, Fees & Reserves (Step 1D)	\$
	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 (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 and labor costs for contractor deposit (when permitted per policy)	\$
C	Rehabilitation Escrow Amount Balance for Future Draws = 6A minus 6B	\$

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



**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 <i>(Sum of A1 thru A7)</i>	\$
	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 <i>(Sum of D1 and D2)</i>	\$
	1. Origination Fee <i>(Greater of \$350 or 1.5% of (sum of 1A, 1B and 1C))</i>	\$
	2. Discount Points <i>(Applied to Sum of 1A, 1B and 1C)</i>	\$
E.	Total Rehabilitation Costs, Fees and Reserves <i>(Sum of 1A, 1B, 1C & 1D)</i>	\$

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 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 <i>(Appraisal Subject to Repairs and Improvement)</i>	\$

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



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

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.	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% <i>Note</i>
	<i>Note: MDCS = Minimum Decision Credit Score</i>		

Step 4:	Additions to Initial Base Mortgage Amount for EEM, and/or Solar/Wind Energy <i>Note: 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 <i>Note: 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>) _____ %		

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



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

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		\$

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



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

Step 1: Establishing Financeable Repair 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, if charged (<i>Sum of C1 and C2</i>)	\$
	1. Origination Fee (<i>Greater of \$350 or 1.5% of (Sum of 1A + 1B)</i>)	\$
	2. Discount Points (<i>Applied to the sum of 1A+ 1B</i>)	\$
D.	Total Rehabilitation Costs, Fees and Reserves (<i>Sum of 1A, 1B, & 1C</i>) (<i>Not to exceed \$35,000</i>)	\$

Step 2: Establishing Value		
A.	Existing Debt on property being refinanced	\$
B.	Total Rehabilitation Costs, Fees and Reserves (<i>Step 1D</i>)	\$
C.	Fees Associated with the new loan	\$
D.	Sum 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 (<i>Appraisal Subject to Repairs and Improvement</i>)	\$

Step 3: Calculating Maximum Mortgage Amount			
A.	Step 2D total		\$
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 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%
	<i>Note: MDCS = Minimum Decision Credit Score</i>		

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



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

Step 4:	Additions to Initial Base Mortgage Amount for EEM, and/or Solar/Wind Energy <i>Note: If no EEM or Solar/Wind additions, then Final Base Mortgage amount (4G) = Step 3F</i>	
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 <i>Note: If no EEM or Solar/Wind addition, then Final Base Mortgage amount (4G) = Step 3F</i>
A.	MIP LTV = 4G divided by 2G (Final Base Mortgage Amount divided by After Improved Value) _____ %

Step 6:	Establishing the Rehabilitation Escrow Account	
A.	Rehabilitation Escrow Account (Sum of A1 thru A3)	\$
	1. Repair and Improvement Costs, Fees & Reserves (Step 1D)	\$
	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 (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 and labor costs for contractor deposit (when permitted per policy)	\$
C.	Rehabilitation Escrow Amount Balance for future draws = 6A minus 6B	\$

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

