

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

BORROWER	Simulated Customer	DATE	1/1/2021
PROPERTY ADDRESS	123 Main St	LOAN NUMBER	xoxoxoxo
	Disney World, FL USA	FHA CASE NUMBER	

STEP 1: Establishing Financeable Repair and Improvement Costs, Fees and Reserves

A. Repair and Improvement Costs and Fees Total (Sum of A1 thru A4)		\$ 20,300.00
1. Costs of construction, repairs and rehabilitation	\$ 20,000.00	
2. Inspection Fees (work Performed during Rehabilitation)	\$ 150.00	
3. Title Update Fees	\$ 150.00	
4. Permit Fees	\$ -	
B. Financeable Contingency Reserves (A1) _____ \$20,000.00 x 10%		\$ 2,000.00
C. Financeable Mortgage Fees Total (Sum of D1 and D2)		\$ 350.00
1. Origination Fee (Greater of \$350 or 1.5% of (sum of 1A+1B))	\$ 350.00	
2. Discount Points (Applied to Sum of 1A+1B)	\$ -	
D. Total Rehabilitation Costs, Fees and Reserves (Sum of 1A, 1B, & 1C) Not to exceed \$35,000		\$ 22,650.00

STEP 2: Establishing Value

A. Purchase Price	\$ 200,000.00	
B. Inducement to Purchase	\$ -	
C. Purchase Price Less Inducement to Purchase		\$ 200,000.00
D. As-Is Property Value <i>(As-is Appraisal may be required to comply with Property Flipping Guidelines)</i>		\$ 200,000.00
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>		\$ 200,000.00
F. After Improved Value (Appraisal Subject to Repairs and Improvement)		\$ 230,000.00

Step 3: Calculating Maximum Mortgage Amount

A. Step 2E + Step 1E (Adjusted As-Is Value + Step 1 Total)		\$ 222,650.00															
B. Step 2F (After improved value) x 110% (100% if Condo)	110%	\$ 253,000.00															
C. Less Lead Based Paint Credit		\$ -															
D. Lesser of 3A or 3B: _____ \$222,650.00 x Maximum LTV Factor from 3G - Lead Based Paint Credit 3C		\$ 214,857.25															
E. Nationwide Mortgage Limit		\$ -															
F. Initial Base Mortgage Amount = Lesser of 3D or 3E		\$ -															
G. Determine Loan-to-Value Factor for Maximum Mortgage Eligibility	96.50%																
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 25%;">Basis</th> <th style="width: 40%;">Criteria</th> <th style="width: 35%;">Maximum LTV Factor</th> </tr> </thead> <tbody> <tr> <td>MDCS</td> <td>At or above 580</td> <td>[] 96.5%</td> </tr> <tr> <td>MDCS</td> <td>Between 500 and 579</td> <td>[] 90%</td> </tr> <tr> <td>Secondary Residences</td> <td>With HOC Approval</td> <td>[] 85%</td> </tr> <tr> <td>No Credit Score</td> <td>Manual UW Required</td> <td>[] 96.5%</td> </tr> </tbody> </table>	Basis	Criteria	Maximum LTV Factor	MDCS	At or above 580	[] 96.5%	MDCS	Between 500 and 579	[] 90%	Secondary Residences	With HOC Approval	[] 85%	No Credit Score	Manual UW Required	[] 96.5%		
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Note: MDCS = Minimum Decision Credit Score																	

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Step 4: Additions to Initial Base Mortgage Amount for EEM, and/or Solar/Wind Energy

Note: If no EEM or Solar/Wind additions, then Initial Base Mortgage amount (3F) = Final Base Mortgage Amount (4G)

A. Energy Efficient Mortgage (EEM) Improvement Amount	\$ -
B. Step 3E + Step 4A (Initial Base Mortgage Amount + EEM Improvement Amount)	\$ -
C. Solar/Wind Energy System Actual Cost	\$ -
D. Step 2F x 20% (After-Improved Value x 20%)	\$ 46,000.00
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

A. MIP LTV = 4G divided by 2F (Final Base Mortgage Amount divided by After Improved Value)	0.00%
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Step 6: Establishing the Rehabilitation Escrow Account

A. Rehabilitation Escrow Account (Sum of A1 thru A3)	\$ 22,650.00
1. Repair and Improvement Costs, Fees & Reserves (Step 1E)	\$ 22,650.00
2. Cost of EEM, weatherization or solar energy systems	\$ -
3. Borrowers Own Funds for Contingency Reserves (if not financed in 6:A)	\$ -
B. Initial Draw at Closing Total (Sum of B1 thru B7)	\$ 350.00
1. Permit Fees	\$ -
2. Origination Fees (Step 1:D1)	\$ 350.00
3. Discount Points (Step 1:D2)	\$ -
4. Up to 50% of materials and labor costs for contractor deposit	\$ -
C. Rehabilitation Escrow Amount Balance for future draws = 6A minus 6B	\$ 22,300.00