

HUD REO Properties Down Payment and Maximum Mortgage Amount Worksheet

(Not applicable for Good Neighbor Next Door Loan Program)

Down Payment Calculation with No Repair Escrow

A. Contract Sale Price (From Line 3 of REO Sales Contract)	\$ 100,000.00	
B. New Appraised Value	\$ 100,000.00	
C. Lower of contract sales price (A) or new appraised value (B)	\$ 100,000.00	
D. Base Loan Amount*	\$ 96,500.00	96.50% LTV
*Base Loan amount equals 96.5% of lower of contract sales price (A) or new appraised value (B)		
Multiple (D) X Upfront MIP Factor	1.75%	
E. Upfront MIP (rounded down to nearest \$1) (D X UFMIP Factor)	\$ 1,688.00	
F. Total Loan Amount with UFMIP (D + E)	\$ 98,188.00	
G. Required Down Payment unless HUD \$100 Down Incentive Program	\$ 3,500.00	

Maximum Mortgage Amount Calculation with Repair Escrow

Option #1 - This is the standard FHA 203(b) loan amount calculation after applying the required down payment and including FHA UPMIP. (Not applicable for Good Neighbor Next Door loan program)

H. Contract Sale Price (From Line 3 of REO Sales Contract) (A)	\$ 100,000.00	
I. Less required minimum down payment (G)	\$ 3,500.00	
J. Initial Base Loan Amount (H - I)	\$ 96,500.00	
K. Repair Escrow amount as exactly shown on HUD REO contract	\$ 5,500.00	
L. Final Base Loan Amount with Repair Escrow (J + K)	\$ 102,000.00	102.00% LTV
Multiple (L) X Upfront MIP Factor	1.75%	
M. Add Upfront MIP (rounded down to nearest \$1) (L X UFMIP Factor)	\$ 1,785.00	
N. Total Loan Amount with UFMIP (L + M)	\$ 103,785.00	103.79% LTV

Option #2 - This calculation determines the maximum loan amount for \$100 Down Sales Incentive Program (Ref: ML 2015-17 and Handbook 4000.1 "HUD Real Estate Owned Purchasing")

APPLIES TO FHA \$100 DOWN SALES INCENTIVE PROGRAM ONLY*

O. Lower of contract sale price or new appraisal (C)	\$ 100,000.00	
P. Less Required Down Payment of \$100	\$ 100.00	
Q. Initial Base Loan Amount without UFMIP (O - P)	\$ 99,900.00	
R. Repair Escrow amount as exactly shown on HUD REO contract (K)	\$ 5,500.00	
S. Final Base Loan Amount with Repair Escrow (Q + R)	\$ 105,400.00	
T. Multiple (S) X Upfront MIP Factor	1.75%	
U. Add Upfront MIP (rounded down to nearest \$1) (S X UFMIP Factor)	\$ 1,844.00	
V. Total Mortgage Amt with Upfront MIP (S + U)	\$ 107,244.00	

Minimum Cash To Close Summary

W. Required Down Payment	\$	100.00
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*HUD's \$100 DOWN SALES INCENTIVE PROGRAM ONLY: Mortgagees must calculate the maximum mortgage amount by subtracting \$100 from the sum of the Adjusted Value plus 110 percent of the estimated cost of repairs, not to exceed \$5,500. Ref: Handbook 4000.1 "HUD Real Estate Owned Purchasing"

Maximum Loan Amount Summary

	Base Loan Amount	Total Loan Amt. with UFMIP
FHA 203(b) WITHOUT repair escrow - Standard 3.5% Down Payment Requirement	\$ 96,500.00	\$ 98,188.00
FHA 203(b) WITH repair escrow - Standard 3.5% Down Payment Requirement	\$ 102,000.00	\$ 103,785.00
FHA 203(b) \$100 Down Incentive Program WITH repair escrow	\$ 105,400.00	\$ 107,244.00

CAUTION: HUD offers several incentive programs to encourage buyers to purchase HUD REO homes, i.e. \$100 to \$500 down payment, etc. This calculator is based on a \$100 Sales Incentive program. The incentives vary from region to region and any available incentive will be on the purchase agreement or attached addendum. **If incentive is not listed on purchase agreement or any document in the contract package received from HUD's Asset Manager then it is not available for the property and the statutory minimum down payment would apply.**

NOTE: The \$100 Down Payment requirement applies to all **Good Neighbor Next Door** homes as per ML 2000-27. While other HUD Real Estate Owned (REO) properties may or may not qualify for additional sales incentives the GNND program by regulation maintains a \$100 minimum down payment requirement.