

FHA Maximum Mortgage Worksheet and Net Tangible Benefit

Maximum Mortgage Amount is lesser of two calculations

Outstanding Principal Balance*		
Interest Due	+	
MIP Due on Existing Mortgage	+	
Total	=	
MIP Refund	-	
Maximum Allowable Mortgage	=	

Original Principal Balance		
MIP Refund	-	
Maximum Allowable Mortgage	=	

***Payoff must be dated no earlier than the month prior to mortgage disbursement.**

NET TANGIBLE BENEFIT

Interest Rate

New Loan		Existing Loan
%	Interest Rate	%
%	MIP Rate	%
=	Combined Rate	=

Fixed Rate to:

- Fixed Rate:** At least **.5%** point **BELOW** the existing combined rate
- One Yr ARM:** At least **2%** points **BELOW** the existing combined rate
- Hybrid ARM:** At least **2%** points **BELOW** the existing combined rate

ARM with Less than 15 Months to next payment change date to:

- Fixed Rate:** No more than **2%** points **ABOVE** the existing combined rate
- One Yr ARM:** At least **1%** point **BELOW** the existing combined rate
- Hybrid ARM:** At least **1%** point **BELOW** the existing combined rate

Arm with More than 15 Months to next payment change date to:

- Fixed Rate:** No more than **2%** points **ABOVE** the existing combined rate
- One Yr ARM:** At least **1%** point **BELOW** the existing combined rate
- HYBRID ARM:** At least **1%** point **BELOW** the existing combined rate

Reduction in Term

The following conditions must be met in order to meet the Reduction in Term Net Tangible Benefit

The mortgage term has been reduced from _____ years to _____ years

The new interest rate of _____ does not exceed the old interest rate of _____.

The new combined principal interest and MIP payment of _____ does not exceed the existing combined principal interest and MIP payment of _____.