

FHA Simple Refinance (FHA to FHA No Cash-Out)

Maximum Base Mortgage Worksheet

Effective for case numbers assigned on and after 9/14/2015 Per HUD Handbook 4000.1

Maximum allowable base loan amount is the lowest of calculation (A), (B), or (C) below

(A)	Max loan amount for county or MSA per HUD website: FHA Mortgage Limits	\$
OR		
ONLY complete ONE of the following scenarios that is relevant to the transaction		
(B)	1. Enter the adjusted value* \$ _____ multiplied by 97.75% Allowed only on owner-occupied principal residences, OR	\$
	2. Enter the adjusted value* \$ _____ multiplied by 85% For HUD-APPROVED Secondary Residences	\$
	Calculation #1 or #2 Based on Occupancy Type	\$
*	Adjusted value for properties acquired within 12 mos. of case # assignment is the lesser of 1) the borrower's purchase price, plus any documented improvements made subsequent to the purchase; OR 2) The property value. Adjusted value for properties acquired \geq 12 mos. of case # assignment, inherited or gifted is the property value.	
OR		
(C)	<p>The sum of the existing debt and costs associated with the transaction, which includes:</p> <ol style="list-style-type: none"> 1. \$ _____ The unpaid principal balance of the 1st mortgage as of the month prior to the mortgage disbursement, which includes: <ul style="list-style-type: none"> • Interest due on the existing Mortgage; • MIP due on existing Mortgage; • late charges; • escrow shortages; and • any permitted existing debt outlined in FHA Simple Refinance topic 2. \$ _____ + All Borrower paid costs associated with the new Mortgage; 3. \$ _____ + Borrower-paid repairs required by the appraisal; 4. \$ _____ - The lower of the FHA to FHA MIP Credit from the Refinance Authorization or the new Up-Front MIP on the new loan. <i>The MIP credit cannot be greater than the new amount of UFMIP</i> <p style="text-align: right;">= Total (#1 through #5)</p>	\$
	The lower of calculation (A), (B), or (C) is your maximum base loan amount. Enter that figure here	\$
	Plus New Upfront MIP	\$
	Note: If original FHA loan being refinanced was endorsed on or before 5/31/2009, the amount of UFMIP shown in DU Findings will not be correct. Verify the correct UFMIP amounts applicable to Simple Refinances.	
	Total Loan Amount	\$
<p>If there is a second lien on the property, the maximum CLTV is the same as the maximum LTV. Note: Loans should be entered as a No Cash-Out (rate and term) refinance in Encompass. When estimated costs utilized in calculating the maximum mortgage amount results in greater than \$500 cash back to the borrower at mortgage disbursement, the borrower's outstanding principal may be reduced to satisfy the \$500 maximum cash back limitation</p>		