



# NATIONAL CAPITAL FUNDING, LTD.

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## How to Complete HUD-92700 Maximum Mortgage Worksheet for a Streamlined (k) Loan

### A. Property Information

1. Contract Sales Price:
  - If Purchase, input the Contract Amount.
  - If Refinance, input the Payoff Amount.
2. “As-is” Value:
  - If Purchase and not a HUD/REO, input the amount in A1. Purchase does not require an “As-is” value.
  - If Purchase and a HUD/REO, need copy of Management and Marketing Appraisal available from realtor.
  - If Refinance, in put “As-is” Value from appraisal.
3. After-Improved Value:
  - Input value of as if completed product from new appraisal.
4. 110% of A3
5. Borrower Paid Closing Costs: Skip until later step. At that point, Borrower Paid Closing Costs will have been calculated on GFE.
6. Allowable Energy Improvements: N/A in most cases.

### B. Rehabilitation and Other Allowable Costs

1. Total Costs of Repairs:
  - Input the sum of all Contracts/Bids.
  - The appraiser will list all bids/costs on the Appraiser Repair Addendum. Both the Borrower and Contractor(s) must sign all bids/work orders to acknowledge quotes.
2. Contingency Reserve on Repair Costs:
  - Input 10% of B1, not to exceed \$2,500.
  - Any excess not used in the transaction will be applied as a Principle Reduction after completion.
3. Inspection Fees + Title Update Fees:
  - Inspections Fees: \$100 per Contractor per loan, not per inspection.
  - Title Update Fees: \$65 per loan, not per draw.
4. Mortgage Payments Escrowed: N/A on a Streamlined (k) Loan
5. Sub-Total for Rehabilitation Escrow Account: Sum B1 thru B4.
6. Architectural and Engineering Fees: N/A on a Streamlined (k) Loan
7. Consultant Fees: N/A on a Streamlined (k) Loan
8. Permits: Copy of Permit Fee invoice required. Can be paid at closing.
9. Other Fees: As needed. (e.g. Impact Fees) Copy of invoices required to document.
10. Sub-Total: Sum B5 thru B9

11. Supplemental Origination Fee:
  - Fee is optional and is charged to the Borrower.
  - The max that can be charged is the greater of \$350 or 1.5% of B10.
  - It cannot be paid by the Seller and it is financed into the loan.
  - Does not satisfy any part of the 3.5% statutory investment.
12. Discount Points on Repair Costs and Fees:
  - Fee is optional and is charged to the Borrower.
  - Take % of Discount charged on whole loan and multiply by B10.
  - It cannot be paid by the Seller and it is financed into the loan.
  - Does not satisfy any part of the 3.5% statutory investment.
13. Sub-Total for Release at Closing: Sum B6 thru B9 + B11 and B12
14. Total Rehabilitation Cost: Total of B5 and B13 minus A6
  - Cannot 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 A4
4. Mortgage Amount: C3 x LTV Factor (96.5%)
  - Occasionally, if a HUD REO (Officer Next Door), the calculation would be (C3 – allowable downpayment/HUD Owned property) x LTV Factor.
5. Statutory Investment Required: C3 x 3.5%
  - NOTE: Before you can calculate C6, you must determine the minimum closing costs that the Borrower must pay to meet the required 3.5% investment. To determine this, take  $C4 + C5 - C3 = A5$
6. Actual Cash Investment:  $(C3 + A5 - C4)$ . This amount must be equal to or greater than C5; if less, an adjustment must be made to lower the loan amount.
7. Adjusted Max Mortgage Amount: Only applies if the loan amount needs to be lowered to meet the 3.5% minimum investment.

**D. Mortgage Calculation for Refinance Transactions**

- If a refinance, you must sum B14 and A1 to arrive at the payoff for the refinance. You would then go to your loan origination system and build your refinance as normal then return to this worksheet and complete this section.
1.  $A1 + B14 + A5 + \text{Total Prepays} + \text{Discount on Total Loan Amt} - B12 - \text{FHA MIP Refund}$
  2. Lesser of  $(A2 + B14)$  **or** 110% of A4
  3.  $D2 \times \text{LTV Factor (97.75\%)}$
  4. Maximum Mortgage Amount: Lesser of D1 **or** D3
  5. Borrower's Required Investment:  $(D1 - D4)$

**E. Energy Efficient Mortgage Amount:**

1. N/A in most cases

**Should you have any further questions, please contact our Renovation Loan Dept.  
at [renovate@ncfunding.net](mailto:renovate@ncfunding.net) or (281) 537-0073**