

FHA Rate & Term Refinance Maximum Mortgage Worksheet

Maximum loan amount before adding the financed up-front mortgage insurance premium is the lower of the following three or four calculations:

Step One

\$ _____

Loan limit for the county in which the property is located – Refer to [FHA Mortgage Limit Search Engine](#)

- Non-FHA to FHA
 - If this is the lower of the calculations in step one, two and three, this is the maximum loan amount before adding the financed up-front mortgage insurance premium
- FHA to FHA
 - If the calculations in step two **or** three are lower than this amount, the maximum loan amount is the lesser of step two or three
 - If the calculations in step two **and** step three exceed this figure, complete step four, the maximum loan amount is the lesser of steps, two, three or four

Step Two

\$ _____

Property value

- FHA – FHA Refinance
 - Use appraised value, regardless of seasoning
- Non-FHA – FHA Refinance
 - Property seasoned less than one year – Use lower of appraised value or purchase price
 - Property seasoned one year or more – Use appraised value

X _____ 97.75%

= _____

Maximum LTV

Step Three

\$ _____

Principal balance on existing first lien

- Existing first mortgage balance, including the amount of interest charged by the servicing lender when the payoff will not likely be received on the first day of the month (delinquent interest may not be included); prepayment penalty; accrued late charges; and escrow shortages

+ _____

Allowable borrower-paid closing costs

+ _____

Purchase money seconds or junior liens over 12 months old – HELOCs may not be included when there have been draws totaling more than \$1000 in the most recent 12 months unless the funds were advanced for documented home improvements

+ _____

Appraiser-required repairs

+ _____

Equity to ex-spouse

+ _____

Prepaid expenses

+ _____

Reasonable discount points

- _____

MIP refund, if applicable

= _____

Existing debt

Step Four – This step is only required for FHA –FHA rate and term refinances when steps two **and** three exceed the county loan limit in step one. The maximum loan amount is the lesser of steps, two, three or four.

\$ _____

Original principal balance (Original principal balance includes the original up-front mortgage insurance premium and is found on the refinance authorization screen in FHA Connection)