

ASSET TEST WORKSHEET

This Worksheet must be completed for loans where the borrower(s) have liquid assets that are equal to 20 percent or more of the sales price. See Asset Test Procedure in the MMP Lender's Manual.

Name of Borrower(s): _____ MMP Reservation No: _____

- 1. Sales Price of Property \$ _____
- 2. Add total of all closing costs to borrower + _____
- 3. Total acquisition cost (line 1 + line 2) \$ _____
- 4. Subtract total of borrowers' liquid assets - _____
- 5. Hypothetical loan amount \$ _____
- 6. Borrower(s) monthly income from MCAW (income used to underwrite loan for affordability, **not eligibility income**). \$ _____
- 7. Calculate 28% of income on line 6 (maximum mortgage debt ratio). \$ _____
- 8. Calculate 36% of income on line 6 (maximum total debt ratio). \$ _____
- 9. Current Asset Test Interest Rate from "Current Interest Rate, Points, APR and Asset Test Interest Rate" page from DHCD website or Lender On-Line _____ %
- 10. Calculate:
 - (a) Mortgage principal and interest payment using interest rate from line 9 and hypothetical loan amount from line 5. \$ _____
 - (b) Add monthly escrow for:
 - Property taxes + _____
 - Hazard insurance premium + _____
 - Mortgage insurance premium (only if LTV exceeds 80.0%) + _____
 - Ground rent, if applicable + _____
 - Other: _____ + _____
 - (c) Total PITI payment (a + b) \$ _____
- 11. Calculate total debt payment (mortgage payment plus long-term debts --10 months or more of payments remaining):
 - (a) Mortgage debt from line 10(c) \$ _____
 - (b) Add long-term debts (describe):
 - _____ \$ _____
 - _____ \$ _____
 - _____ \$ _____
 - _____ \$ _____
 - (c) Total debt payment (a+b) \$ _____

12. Compare line 7 with line 10(c), and line 8 with line 11(c). If line 7 is less

than line 10(c) **OR** line 8 is **less** than line 11(c), borrower(s) are eligible for MMP financing. Write "eligible" in blank at right and sign/date this form. _____

THIS FORM MUST BE INCLUDED IN THE PRE-CLOSING COMPLIANCE PACKAGE SUBMITTED TO SINGLE FAMILY HOUSING (SFH)

- 13. If borrower(s) are not eligible based on the comparisons in No. 12 above, refer to the MMP Lender's Manual for an exception to the asset test. **Any exercise of the exception to the asset test must be pre-approved by SFH. Forward this worksheet and documentation supporting the exception to SFH's Pre-Closing Compliance Section. Write "Exception Requested" in blank at right and sign/date this form.** _____

Signature of Lender's Authorized Representative

Date

-----**DO NOT WRITE BELOW - SFH USE ONLY**-----

Documentation to exercise exception to asset test has been received and reviewed. Exception is:

_____ Approved _____ Disapproved

Explanation of decision: _____

SFH Loan Underwriter

Date