PREPARATION OF APPLICATION FOR CREDIT APPROVAL

FEDERAL HOUSING ADMINISTRATION

For processing the credit of mortgage applicants in the FHA Home Ownership program, this form is primarily used by the examiner in investigating any outstanding commitments to a firm commitment in the name of an approved mortgagee, which may be released by a mortgagee after the mortgagee has been released. The mortgagee should complete all blocks in the form, using the information from the outstanding commitment or the mortgagee’s estimate. Where necessary, attach statements with details.

REQUIRED EXHIBITS TO BE SENT WITH APPLICATION

(1) Credit Report
(2) Verification of Employment
(3) Form 204A, Verification of Debits
(4) One or more certified copies of sales contracts or contracts for deed.
(5) An inventory statement of property showing income from sales contracts or contracts for deed.
(6) A profit and loss statement of the mortgagee and mortgagee’s estimate of the cost of construction and interest.
(7) A sworn statement of the mortgagor’s principal income and any other income.
(8) A sworn statement of the mortgagee’s principal income from any business.
(9) A sworn statement of the mortgagee’s principal income from any business.
(10) A sworn statement of the mortgagee’s principal income from any business.
(11) A sworn statement of the mortgagee’s principal income from any business.

FORM ENTRIES

1. Section of National Housing Act from outstanding commitment, or mortgagee’s estimate as requested by the examiner.
2. FHA Loan No., from outstanding commitment, or mortgagee’s estimate as requested by the examiner.
3. Property address or description.
4. Mortgagee’s (Husband, Wife, Others) - Name and address. Last name first. Present marital status, age, number of dependents, and years. If property is located elsewhere than the property, the address and the number in block is provided, but not in the property’s address. An inventory statement of property showing income from sales contracts or contracts for deed.
5. Mortgagee - Name, address and Zip Code.
6. Amount of loan requested, interest rate, term in months, mortgagee’s name, mortgagee’s address, and mortgagee’s estimate of the cost of construction and interest. The mortgagee’s amount is not to be augmented by any mortgagee’s additional amount of any mortgagee’s amount of additional amount of mortgagee.
7. Purpose of Loan - Type of transaction. If insufficient, attach statement showing date property acquired, purchase price, date of sale, and present value, and in which the mortgagee’s estimate of the cost of construction and interest. The mortgagee’s amount is not to be augmented by any mortgagee’s additional amount of mortgagee.
8. Employment - Occupation, employers’ name and address, years with present employer.
9. Obligations - Amounts due, and amounts due to mortgagee for all mortgagees.
10. Previous Monthly Housing Expense - Monthly housing expenses for past 12 months.
11. Previous Monthly Fixed Charges - Income taxes, property insurance premiums, (show face value of property insurance) and mortgagee’s estimate of the cost of construction and interest. The mortgagee’s amount is not to be augmented by any mortgagee’s additional amount of mortgagee.
12. Liabilities - Monthly payment and unpaid balance on current debts. Enter the words “none” when appropriate.
13. Future Monthly Payments
a. Principal & Interest - Monthly payment to principal and interest from FHA Amort. Tables, Form 203.
b. FHA Mortgage Insurance Premium - 1 1/2 of first annual payment. From FHA Amort. Tables, Form 203.
c. Ground Rent - Leased bold base rent, 1 1/2 of annual leasehold ground rent.
d. Total - Total of (a), (b), (c).
e. Escrow - 1 1/2 of annual fire insurance premiums required by mortgagee.

14. Taxes, Special Assessments - From Form 2000, mortgagee’s applicable property appraisal. If improvements are not assessed, assess the mortgagor’s estimate of the cost of construction and interest. Total Mortgage Payment - Total of (d) and (e).
15. Maintenance - From outstanding commitment or mortgagee’s estimate of the cost of construction and interest. From outstanding commitment or mortgagee’s estimate of the cost of construction and interest. From outstanding commitment or mortgagee’s estimate of the cost of construction and interest.
16. Total Monthly Payment - From outstanding commitment or mortgagee’s estimate of the cost of construction and interest.
17. Settle Requirement - Enter the words “none” when appropriate.
18. Bundled Sale - Sales contract for amounts of (1) closing costs, or (2) prepaid expenses to be paid by seller, or (3) escrow contract for mortgagee’s estimate of the cost of construction and interest. Enter 1/2 of the sum of payments on each estate, including payments on mortgage, taxes, insurance, and real estate taxes, assessment, or special assessments, or real estate taxes, assessment, or special assessments, or real estate taxes, assessment, or special assessments, or real estate taxes, assessment, or special assessments, or real estate taxes, assessment, or special assessments, or real estate taxes, assessment, or special assessments, or real estate taxes, assessment, or special assessments, or real estate.
## CREDIT ANALYSIS PAGE

MORTGAGE TO BE INSURED UNDER

- SEC. 203(N)
- SEC.

### 1. PROPERTY ADDRESS

<table>
<thead>
<tr>
<th>Mortgage</th>
<th>Date</th>
<th>Amount</th>
<th>Principal Balance</th>
<th>Monthly Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>1/1/20XX</td>
<td>$100,000</td>
<td>$90,000</td>
<td>$1,000</td>
</tr>
<tr>
<td>B</td>
<td>2/1/20XX</td>
<td>$80,000</td>
<td>$70,000</td>
<td>$800</td>
</tr>
</tbody>
</table>

### 5. EMPLOYMENT

<table>
<thead>
<tr>
<th>Month</th>
<th>Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan</td>
<td>$2,000</td>
</tr>
<tr>
<td>Feb</td>
<td>$2,100</td>
</tr>
<tr>
<td>Mar</td>
<td>$2,200</td>
</tr>
</tbody>
</table>

### 6. EFFECTIVE INCOME

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages</td>
<td>$3,000</td>
</tr>
<tr>
<td>Other Income</td>
<td>$500</td>
</tr>
</tbody>
</table>

### 7. MORTGAGE APPLIED FOR

<table>
<thead>
<tr>
<th>Bank</th>
<th>Mortgage Amount</th>
<th>Interest Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>XYZ</td>
<td>$100,000</td>
<td>4.5%</td>
</tr>
</tbody>
</table>

### 8. PREVIOUS MONTHLY INCOME

- **Effective Income**: $3,500
- **Net Disposable Income**: $2,500

### 10. PREVIOUS MONTHLY HOUSING EXPENSE

- **Mortgage Payment**: $1,500
- **Rent**: $600
- **Utilities**: $200
- **Insurance**: $100
- **Taxes**: $50
- **Total Housing Expenses**: $2,550

### 11. PREVIOUS MONTHLY FIXED CHARGES

- **Federal, State, Local Income Taxes**: $200
- **Social Security & Retirement Payments**: $100
- **Total Fixed Charges**: $300

### 12. ASSETS FOR CLOSING

- **Cash Accounts**: $1,000
- **Marketable Securities**: $2,000
- **Other (except cash)**: $1,500
- **Total Assets**: $4,500

### 13. LIABILITIES

- **Automobile**: $3,000
- **Credit Cards**: $1,500
- **Total Liabilities**: $4,500

### 14. FUTURE MONTHLY PAYMENTS

- **Mortgage & Insurance**: $1,500
- **Total Monthly Payment**: $3,000

### 15. SETTLEMENT REQUIREMENTS

- **Total Requirements**: $3,000

### 16. MORTGAGE RATING

- **Creditworthiness**: 75%
- **Occupancy**: Tenants/Renters
- **Net Disposable Income**: $2,500
- **Mortgage Amount**: $100,000

### 17. RATIOS

- **LTV**: 80%
- **TAR**: 50%
- **ER**: 35%

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HUD-ROCK, D.C.