



March 27, 2015

The Department of Housing and Urban Development (HUD) has posted a revised version of the model [HECM Financial Assessment Worksheet](#) that was included in the [HECM Financial Assessment and Property Charge Guide](#), which was an attachment to [Mortgagee Letter 14-22](#), dated November 10, 2014.

Mortgagees may use this document or a worksheet that they have developed to capture key data elements from the financial assessment of the mortgagor.

The changes to the revised Model HECM Financial Assessment Worksheet, which is dated March 27, 2015, include:

LOCATION	CATEGORY	REVISION
SECTION A	Property Charge Payment History	Reformatted to separate Property Charge Payment History into two components: (1) Real Estate Taxes, Other Assessments and HOA/ PUD/Condo fees; and, (2) Collection of Hazard/ Homeowners and Flood insurance.
SECTION B	Credit History	Expanded to include separate sections for Installment Credit Accounts and Revolving Credit Accounts.
SECTION E	Calculation of Maintenance and Utility Expenses	Expands calculation instructions.
SECTION J	Residual Income Shortfall	Added a section for documenting calculation of Residual Income Shortfall.
RESULTS OF FINANCIAL ASSESSMENT		Expanded to include a Fully-Funded and Partially-Funded Designation, when required based on the results of the Financial Assessment.

Mortgagees can download a copy of the revised Worksheet from HUD’s website on its Single Family Housing Model Documents page at:

http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/model_documents



Appendix 1 - Model HECM Financial Analysis Worksheet

MODEL HECM FINANCIAL ASSESSMENT WORKSHEET FHA CASE NO. _____					
MORTGAGOR NAME		MORTGAGOR NAME			
PROPERTY STREET ADDRESS		PROPERTY CITY, STATE, ZIP CODE			
SECTION A: PROPERTY CHARGE PAYMENT HISTORY					
PROPERTY CHARGE	CURRENT		DELINQUENT IN LAST 24 MONTHS		
REAL ESTATE TAXES	<input type="checkbox"/> YES	<input type="checkbox"/> NO	<input type="checkbox"/> YES	<input type="checkbox"/> NO	
OTHER ASSESSMENTS	<input type="checkbox"/> YES	<input type="checkbox"/> NO	<input type="checkbox"/> YES	<input type="checkbox"/> NO	
HOA/PUD/CONDO FEES	<input type="checkbox"/> YES	<input type="checkbox"/> NO	<input type="checkbox"/> YES	<input type="checkbox"/> NO	
SECTION A: PROPERTY CHARGE PAYMENT HISTORY					
HAZARD/HOMEOWNERS INSURANCE IN PLACE FOR LAST 12 MONTHS			<input type="checkbox"/> YES	<input type="checkbox"/> NO	
FLOOD INSURANCE IN PLACE FOR LAST 12 MONTHS			<input type="checkbox"/> YES	<input type="checkbox"/> NO	<input type="checkbox"/> N/A
SECTION B: CREDIT HISTORY					
INSTALLMENT CREDIT ACCOUNT		NUMBER OF DELINQUENT PAYMENTS LAST 24 MONTHS			
		30 DAY	60 DAY	90 DAY	
REVOLVING CREDIT ACCOUNT		NUMBER OF DELINQUENT PAYMENTS LAST 12 MONTHS			
		30 DAY	60 DAY	90 DAY	
SECTION C: ASSETS					
ASSET ACCOUNT	<i>minus</i>	MORTGAGOR FUNDS NEEDED TO CLOSE	NET VALUE		

SECTION D: CALCULATION OF IMPUTED INCOME FROM ASSET DISSIPATION

ASSET ACCOUNT	NET VALUE		% VALUE		DISCOUNTED VALUE
		X		=	\$
		X		=	\$
		X		=	\$
		X		=	\$
		X		=	\$
TOTAL DISCOUNTED VALUE OF ASSETS					\$
<i>divided by</i>	LIFE EXPECTANCY OF YOUNGEST MORTGAGE IN MONTHS (LIFE EXPECTANCY X 12)				
<i>equals</i>	TOTAL IMPUTED MONTHLY INCOME FROM ASSETS				\$

SECTION E: CALCULATION OF MAINTENANCE AND UTILITY EXPENSES

	SQUARE FEET OF GROSS LIVING AREA ABOVE GRADE	_____
<i>multiplied by</i>	\$0.14	X _____ 0.14
<i>equals</i>	MONTHLY MAINTENANCE AND UTILITY EXPENSES	\$ _____

SECTION F: MONTHLY EFFECTIVE INCOME

MONTHLY INCOME SOURCE	AMOUNT	MONTHLY INCOME SOURCE	AMOUNT
EMPLOYMENT	\$	ASSET DISSIPATION	\$
PENSION/RETIREMENT	\$	OTHER (describe)	\$
SOCIAL SECURITY	\$	OTHER (describe)	\$
RENTAL INCOME	\$	OTHER (describe)	\$

TOTAL MONTHLY EFFECTIVE INCOME FROM ALL SOURCES:

SECTION G: MONTHLY PROPERTY CHARGES

PROPERTY CHARGE	ANNUAL AMOUNT	DIVIDED BY	EQUALS	MONTHLY AMOUNT
REAL ESTATE TAXES		12	=	\$
HAZARD/HOMEOWNERS INSURANCE		12	=	\$
FLOOD INSURANCE		12	=	\$
HOA/PUD/CONDO FEES		12	=	\$
OTHER (describe)		12	=	\$
OTHER (describe)		12	=	\$

TOTAL MONTHLY PROPERTY CHARGES:

SECTION H: OTHER MONTHLY EXPENSES

MONTHLY EXPENSE SOURCE	OUTSTANDING BALANCE	MONTHLY PAYMENT	MONTHLY EXPENSE SOURCE	OUTSTANDING BALANCE	MONTHLY PAYMENT
INCOME TAXES			JUDGMENT PAYMENTS		
FICA			BANKRUPTCY PAYMENTS		
INSTALLMENT ACCOUNTS			MAINTENANCE AND UTILITIES		
REVOLVING ACCOUNTS			OTHER (describe)		
ALIMONY AND CHILD SUPPORT			OTHER (describe)		
MAINTENANCE AND UTILITIES			OTHER (describe)		

TOTAL OTHER MONTHLY EXPENSES:

SECTION I: RESIDUAL INCOME

TOTAL MONTHLY EFFECTIVE INCOME FROM ALL SOURCES	\$
<i>minus</i> TOTAL MONTHLY PROPERTY CHARGES	\$
<i>minus</i> TOTAL OTHER MONTHLY EXPENSES	\$
<i>equals</i> MONTHLY RESIDUAL INCOME	\$

SECTION J: RESIDUAL INCOME SHORTFALL

HOUSEHOLD SIZE	REGION	REQUIRED RESIDUAL INCOME	\$
<i>minus</i>		MORTGAGOR RESIDUAL INCOME	\$
<i>equals</i>		RESIDUAL INCOME SHORTFALL *	\$
* If negative number, enter zero			

SECTION K: MONTHLY PROPERTY TAXES AS % OF MONTHLY INCOME

	TOTAL MONTHLY PROPERTY TAXES	\$ _____
<i>divided by</i>	TOTAL MONTHLY EFFECTIVE INCOME FROM ALL SOURCES	\$ _____
<i>equals</i>		_____ %

SECTION L: EXTENUATING CIRCUMSTANCES

SECTION M: COMPENSATING FACTORS

RESULTS OF FINANCIAL ASSESSMENT

PROPERTY CHARGE PAYMENT HISTORY	ACCEPTABLE <input type="checkbox"/> YES <input type="checkbox"/> NO
CREDIT HISTORY	ACCEPTABLE <input type="checkbox"/> YES <input type="checkbox"/> NO
RESIDUAL INCOME	ACCEPTABLE <input type="checkbox"/> YES <input type="checkbox"/> NO
FULLY FUNDED LIFE EXPECTANCY SET-ASIDE REQUIRED	YES <input type="checkbox"/> NO <input type="checkbox"/> AMOUNT <input style="width: 100px;" type="text"/>
PARTIALLY FUNDED LIFE EXPECTANCY SET-ASIDE REQUIRED	YES <input type="checkbox"/> NO <input type="checkbox"/> AMOUNT <input style="width: 100px;" type="text"/>
DE UNDEWRITER CHUMS ID	DE UNDERWRITER SIGNATURE
	DATE