

PITI Deduction

HUD Median Income \$65,500
 3BR FMR \$1223
 Qualifying Ratios of 28/36

Examples **Boston**

Annual Income	\$ 21,000	\$ 26,000	\$ 31,000	\$ 49,000
Fair Market Rent	\$ 1,223	\$ 1,223	\$ 1,223	\$ 1,223
HAP Payments, p/mo*	\$ 698	\$ 573	\$ 448	\$ (2)
Earned Income, p/mo	\$ 1,750	\$ 2,167	\$ 2,583	\$ 4,083
30% Income Contribution	\$ 525	\$ 650	\$ 775	\$ 1,225
Sales Price	\$ 127,000	\$ 127,000	\$ 127,000	\$ 127,000
Borrowers Down Payment 3%	\$ 3,810	\$ 3,810	\$ 3,810	\$ 3,810
Amount Needed for Financing	\$ 123,190	\$ 123,190	\$ 123,190	\$ 123,190
Loan Amount	\$ 123,190	\$ 123,190	\$ 123,190	\$ 123,190
Note Rate	8.00%	8.00%	8.00%	8.00%
Principle and Interest	\$ 903.92	\$ 903.92	\$ 903.92	\$ 903.92
RE Taxes	\$ 128.32	\$ 128.32	\$ 128.32	\$ 128.32
Insurance	\$ 51.33	\$ 51.33	\$ 51.33	\$ 51.33
MI monthly premium**	\$ 98.55	\$ 98.55	\$ 98.55	\$ 98.55
Total PITI	\$ 1,182.13	\$ 1,182.13	\$ 1,182.13	\$ 1,182.13
PITI Deduct. Earned Income Ratio	27.7%	28.1%	28.4%	29.0%
Mortgage Loan Pmt.	\$ 484.13	\$ 609.13	\$ 734.13	\$ 1,184.13
Other Debt	150	175	200	290
Total Debt	\$ 634.13	\$ 784.13	\$ 934.13	\$ 1,474.13
PITI Ded.Tot. Earned Inc Debt Ratio	36.2%	36.2%	36.2%	36.1%
Total Income	\$ 1,750	\$ 2,167	\$ 2,583	\$ 4,083
Less Total Debt	\$ 634.13	\$ 784.13	\$ 934.13	\$ 1,474.13
Discretionary Income	\$1,115.9	\$1,382.5	\$1,649.2	\$2,609.2

*equals difference between FMR and 30% of earned income

**assumes 97% LTV, 35% MI .960% annual premium