

## HomeChoice: PITI Deduction

Typical HomeChoice Borrower 50/50 Ratios  
1BR FMR

	<b>Boston</b> FMR 782	<b>Atlanta</b> FMR 682	<b>Chicago</b> FMR 661	<b>New Orleans</b> FMR 423
Examples				
Annual Income SSI \$700(1.25)	\$ 10,500	\$ 10,500	\$ 10,500	\$ 10,500
Fair Market Rent	\$ 782	\$ 682	\$ 661	\$ 423
HAP Payments, p/mo*	\$ 520	\$ 420	\$ 399	\$ 161
Earned Income, p/mo	\$ 875	\$ 875	\$ 875	\$ 875
30% Income Contribution	\$ 263	\$ 263	\$ 263	\$ 263
<b>Sales Price</b>	\$ 80,000	\$ 81,000	\$ 79,000	\$ 54,000
Borrowers Down Payment	\$ 500	\$ 500	\$ 500	\$ 500
Down Payment Assistance	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Amount Needed for Financing	\$ 69,500	\$ 70,500	\$ 68,500	\$ 43,500
Loan Amount	\$ 69,500	\$ 70,500	\$ 68,500	\$ 43,500
Note Rate	8.00%	8.00%	8.00%	8.00%
Principle and Interest	\$ 509.97	\$ 517.30	\$ 502.63	\$ 319.19
RE Taxes	\$ 72.40	\$ 73.44	\$ 71.35	\$ 45.31
Insurance	\$ 28.96	\$ 29.38	\$ 28.54	\$ 18.13
MI monthly premium**	\$ 45.18	\$ 45.83	\$ 44.53	\$ 28.28
Total PITI	\$ 656.50	\$ 665.94	\$ 647.05	\$ 410.90
<b>PITI Deduct. Earned Income Ratio</b>	<b>15.7%</b>	<b>28.2%</b>	<b>28.4%</b>	<b>28.6%</b>
Mortgage Loan Pmt.	\$ 137.00	\$ 246.44	\$ 248.55	\$ 250.40
Other Debt	75	75	75	75
Utilities & Maint.	100	100	100	100
Total Debt Ratio	\$ 312.00	\$ 421.44	\$ 423.55	\$ 425.40
<b>PITI Ded.Tot. Earned Inc Debt Ratio</b>	<b>35.7%</b>	<b>48.2%</b>	<b>48.4%</b>	<b>48.6%</b>
<b>Total Income w/o (1.25)</b>	\$ 700	\$ 700	\$ 700	\$ 700
Less Tot. Debt	\$ 312.00	\$ 421.44	\$ 423.55	\$ 425.40
Discretionary Income***	\$388.0	\$278.6	\$276.5	\$274.6

\*equals difference between FMR and 30% of earned income

\*\*assumes 95% LTV, 30% MI .78% annual premium

\*\*\*Under HomeChoice underwriting guidelines borrower can have zero income if all expenses are included in total debt using budget worksheet