

Example: Determining the Maximum Loan Amount

EXAMPLE: Purchase of a 1-unit property with 96.50% LTV/CLTV		
Purchase and Renovation Costs		
Sales Price	\$	120,000.00
Labor/Material	\$	24,500.00
Contingency Reserve (10%)	\$	2,450.00
Soft Costs (permits, consultant fees, inspection fees, PITL, etc.)	\$	2,420.00
Supplemental Origination Fee (greater of \$350 or 1.5% or repair costs)		440.55
Total for Purchase and Renovation	\$	149,810.55
"As-completed" value (determined by appraiser)	\$	160,000.00
<p style="font-size: small;">Value to use for determination of LTV must be the lesser of the total cost of renovation or the "as-completed" value. In this example, \$149,810.55 is less than \$160,000, therefore the value you must use when determining the maximum loan amount is \$149,810.55</p>		
Maximum Loan Amount at 96.50%	\$	144,567.13
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