

# Mortgage Math

When necessary, assume manual underwriting

- If your borrower wants to pay one point to buy down the rate and the loan amount is \$145,000, how much will they have to pay?  
a. \$14,500.00  
**b. \$1,450.00**  
c. \$2,900.00  
d. \$2,175.00
- In general, what is the highest front end ratio that can qualify for a conventional loan?  
**a. 28%**  
b. 32%  
c. 33%  
d. 43%
- In general, what is the highest back end ratio that can qualify for a conventional loan?  
a. 32%  
**b. 36%**  
c. 43%  
d. 45%
- If Cathy is paid \$1,599.76 every two weeks, her mortgage payment is \$1,109.17 and she also pays \$150.00 monthly to escrow what will her front end debt ratio be?  
**a. 36%**  
b. 32%  
c. 60%  
d. 28%
- If Cathy has a \$385 car payment, is paid \$1,599.76 every two weeks, has a mortgage payment of \$1,109.17 and also pays \$150.00 monthly to escrow, what would be her back-end debt ratio?  
**a. 47%**  
b. 23%  
c. 43%  
d. 57%
- If Bill has a mortgage loan that is at 75% LTV and the loan amount is \$182,500.00, rounded to the nearest \$100, what was the original loan amount if he originally financed 100%?  
a. \$243,400  
b. \$136,900  
c. \$243,000  
**d. \$243,300**
- If Bill has a mortgage loan that is at 75% LTV and the loan amount is \$182,500.00, rounded to the nearest \$100, how much equity has Bill paid to this point?  
a. \$61,300  
**c. \$60,800**  
b. \$63,100  
d. \$60,900
- If you owe \$168,000 on your mortgage and your most recent appraisal comes in at \$275,000, what is your LTV?  
a. 64%  
**c. 61%**  
b. 58%  
d. 56%
- If Mr. Smith makes \$16.25 per hour and he works 40 hours per week, what is his gross monthly income?  
a. \$3,120.00  
b. \$2,600.00  
c. \$2,773.33  
**d. \$2,816.67**
- If Mrs. Jones collects a tax exempt social security income of \$1,500 per month and she has had a part-time job for 3 years averaging 20 hours per week for \$8.50 an hour, what is her monthly gross income?  
a. \$2,236.67  
**c. \$2,611.67**  
b. \$2,973.33  
d. \$2,180.00

11. If Mr. Robinson gets paid on the 1<sup>st</sup> and the 15<sup>th</sup> of each month and his gross pay is \$1,565.00 per pay check, what is his monthly income?
- a. \$3,390.83
  - b. **\$3,130.00**
  - c. \$3,310.00
  - d. \$3,330.00
12. You are purchasing a home for \$275,500. The broker is charging you 1.875% in points. How much are you being charged for points?
- a. \$5,615.63
  - b. \$4,821.25
  - c. \$5,156.25
  - d. **\$5,165.63**
13. For a loan of \$185,000, what will your first monthly interest payment be if your note rate is 5.25%?
- a. \$14,463.75
  - b. \$1,520.31
  - c. \$1,618.75
  - d. **\$809.38**
14. For a loan of \$185,000, what will your daily interest be at a rate of 5.25%?
- a. \$39.55
  - b. **\$26.61**
  - c. \$35.95
  - d. \$40.18
15. Georgia has saved \$3,500 for a down payment on her first home. If she qualifies for a loan with a 5% down payment, how much house should she be shopping for?
- a. \$170,000
  - b. \$135,000
  - c. **\$70,000**
  - d. \$35,000
16. If the selling price of the home is \$187,000, the appraised value comes in at \$192,000 and you made a 20% downpayment, what would be your loan amount?
- a. \$187,000
  - b. \$192,000
  - c. **\$149,600**
  - d. \$153,600
17. If the selling price of the home is \$187,000, the appraised value comes in at \$192,000 and you made a 20% downpayment, what would be your downpayment?
- a. **\$37,400**
  - b. \$33,400
  - c. \$38,400
  - d. \$42,400
18. The Greens are buying a home. They are financing 90% of the value of the home. They are putting down 10%, their first mortgage will be at 80% LTV and their second will be 10% LTV, so their Combined Loan To Value (CLTV) will be 90%. If the home's appraised value is \$213,500, how much will their downpayment be?
- a. \$2,135
  - b. \$21,500
  - c. \$10,000
  - d. **\$21,350**
19. Jim and Barb have a home appraised at \$184,600. They hold a first mortgage with a balance of \$116,300 and a HELOC with a balance of \$31,380. What is their HLTV?
- a. 10%
  - b. **80%**
  - c. 90%
  - d. 62%
20. Jim and Barb have a home appraised at \$184,600. They hold a first mortgage with a balance of \$116,300 and a HELOC with a balance of \$31,380, if Jim and Barb want to refinance to consolidate their loans and get cash out and they will have a final LTV of 90%, how much are they cashing out?
- a. \$9,230
  - b. \$3,138
  - c. **\$18,460**
  - d. \$11,630

