

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?
 - \$14,500.00
 - \$1,450.00
 - \$2,900.00
 - \$2,175.00
- In general, what is the highest front end ratio that can qualify for a conventional loan?
 - 28%
 - 32%
 - 33%
 - 43%
- In general, what is the highest back end ratio that can qualify for a conventional loan?
 - 32%
 - 36%
 - 43%
 - 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?
 - 36%
 - 32%
 - 60%
 - 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?
 - 47%
 - 23%
 - 43%
 - 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%?
 - \$243,400
 - \$136,900
 - \$243,000
 - \$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?
 - \$61,300
 - \$63,100
 - \$60,800
 - \$60,900
- If you owe \$168,000 on your mortgage and your most recent appraisal comes in at \$275,000, what is your LTV?
 - 64%
 - 58%
 - 61%
 - 56%
- If Mr. Smith makes \$16.25 per hour and he works 40 hours per week, what is his gross monthly income?
 - \$3,120.00
 - \$2,600.00
 - \$2,773.33
 - \$2,816.67

10. 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
 - b. \$2,973.33
 - c. \$2,611.67
 - d. \$2,180.00
11. If Mr. Robinson gets paid on the 1st and the 15th 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
21. If the appraised value of the home is \$200,000 and the balance of the first mortgage is \$120,000 how much is the principal loan amount of the second mortgage if they go to 90% LTV?
- a. \$70,000
 - b. \$57,000
 - c. \$60,000
 - d. \$180,000
22. For a conventional loan, with a monthly income of \$8,430, what is the maximum housing payment you are allowed?
- a. \$2,360
 - b. \$2,444
 - c. \$4,215
 - d. \$2,529
23. For an USDA loan, with a monthly income of \$8,430, what is the maximum housing payment you are allowed?
- a. \$2,360
 - b. \$2,444
 - c. \$4,215
 - d. \$2,529
24. What is the maximum monthly total debt, in dollars, allowed for a veteran wanting a VA loan whose income is \$47,500 per year?
- a. \$1,260
 - b. \$1,147
 - c. \$3,958
 - d. \$1,620
25. When calculating income, which of the following does not need to be "grossed up?"
- a. Child Support
 - b. Alimony
 - c. Social Security
 - d. Disability
26. What are the maximum front-end/back-end debt ratios for FHA loans?
- a. 28/36
 - b. 30/43
 - c. 41% TDR
 - d. 29/41
27. If you are paid biweekly, how many times a year do you receive a paycheck?
- a. 52
 - b. 26
 - c. 12
 - d. 24
28. The total loan amount is based on,
- a. The sales price of the home
 - b. The lesser of the sales or appraisal price
 - c. The appraised value of the home
 - d. The greater of the sales or the appraisal price

29. For persons whose income is based solely on commissions, normally an average of the last ____ years is used.
- a. 4
 - b. 5
 - c. 3
 - d. 2
30. If wanted to buy a house with a PITI payment of \$1,035/mo how much is the least you have to make per month in order to qualify for an FHA loan?
- a. \$3,569
 - b. \$3,647
 - c. \$3,697
 - d. \$3,956