

# Purchaser Qualification Sheet

Date \_\_\_\_\_

Purchaser \_\_\_\_\_ Date \_\_\_\_\_

Property \_\_\_\_\_ Down payment & closing costs \_\_\_\_\_

Liquid assets available \_\_\_\_\_

RATIO		RESIDUAL		
			(B)	(C)
<b>A. Monthly gross income</b> .....	_____	<b>(A) Monthly gross income</b> .....	_____	_____
<b>B. Housing expense</b> .....	_____	Federal Tax (-) .....	_____	_____
Principal and Interest .....	_____	State Tax (-) .....	_____	_____
Taxes and Insurance .....	_____	Social Security (-) .....	_____	_____
MI .....	_____	Retirement (-) .....	_____	_____
Association Fee .....	_____	Child Care (-) .....	_____	_____
PI for second Trust .....	_____	Monthly Debts (-) .....	_____	_____
<b>Total</b> .....	_____	<b>(B) Rental Negative (-)</b> .....	_____	_____
<b>C. Debt service</b> .....	_____	Non-taxable Income (+) .....	_____	_____
Housing Expense <b>(B)</b> .....	_____	<b>Subtotal</b> .....	_____	_____
Monthly Debt Payments .....	_____	Total .....	_____	_____
Rental Negatives .....	_____	Taxes & Insurance (-) .....	_____	_____
<b>Total</b> .....	_____	<b>(C) Utilities (-)</b> .....	_____	_____
<b>Housing Ratio:</b>		Maintenance (-) .....	_____	_____
<b>(B)</b> divided by <b>(A)</b> .....	_____ %	Association Fee (-) .....	_____	_____
<b>Debt Ratio:</b>		Family Support (-) .....	_____	_____
<b>(C)</b> divided by <b>(A)</b> .....	_____ %	<b>Balance available for principal</b>	_____	_____
		<b>and interest</b> .....	_____	_____

**NOTES:**

1. *Income* must be averaged if variable (interest, commission, bonus, overtime, part-time). For self-employed use average of *Net* income for 2 years. Do not include expense accounts.
2. *Debts*: Monthly payments with more than 10 months remaining.  
     Child support and/or alimony payments are monthly debts (child care only for VA).  
     For credit cards use 5% of the outstanding balance or minimum of \$10.
3. *Rental negative*: A vacancy factor of 25% may be used to lower monthly rental income before a negative is calculated (\$1,000 income with 25% factor is \$750).
4. *PI* for a second trust is in the first ratio only if secured on property being purchased.
5. *Association fee* is included in first ratio in full. Condo fees that include utilities are sometimes reduced 30-40%. Condo fee in VA qualifying will reduce estimates for maintenance, insurance, and sometimes utilities.
6. *Social security* for 2018 is 6.2% and 12.4% for self-employed on a maximum base of \$128,700. Medicare portion only (1.45%) is collected above that amount.
7. *Federal retirement* is 0.8% to 3.5% (depending upon hire date) with no maximum.
8. *State income tax* is not paid by many active military.
9. *Utilities* is \$1 per 1,000 of sales price + \$50, however this may vary by lender.
10. *Maintenance*: \$50 estimate; \$25 for condominiums. This may vary by lender.
11. *Insurance*: Estimate \$2.50 per 1,000 of sales price for annual premium. Will vary by locality/type of property.
12. Mortgage Insurance (MI) estimates: See Tables in Chapter Two.

## VA Pre-Qualification — Residual

	(B)	(CB)
Monthly Gross Income	_____	_____
Less Federal Tax	(-) _____	(-) _____
Less State Tax	(-) _____	(-) _____
Less Social Security	(-) _____	(-) _____
Less Child Care	(-) _____	(-) _____
Less Monthly Debts	(-) _____	(-) _____
Less Rental Negative	(-) _____	(-) _____
Add Non-taxable Income	(+) _____	(+) _____
Sub-Total	_____	_____
Total	_____	
Less Property Taxes	(-) _____	
Less Hazard Insurance	(-) _____	
Less Utilities	(-) _____	
Less Maintenance	(-) _____	
Less Association/Condo Fees	(-) _____	
Less Family Support	(-) _____	
<b>Available for Principal &amp; Interest</b>	_____	

Divide the principal & interest  
rate factor per \$1,000 which is prevailing for  
program desired at time of  
pre-qualification

divide by \_\_\_\_\_ (factor)

= \_\_\_\_\_

**Multiply answer by 1,000 to arrive at  
maximum loan amount**

x \_\_\_\_\_

= \$ \_\_\_\_\_ max loan

**To figure interest rate needed to qualify borrower when loan amount needed is known:**

Carry principal and interest down to right \$ \_\_\_\_\_

Divide by loan amount, dropping the last three numbers (ex: \$70,000 = 70) ÷ \_\_\_\_\_

Result is interest rate factor (Table on inside cover) \_\_\_\_\_