**Purchaser Qualification Sheet**

**Date**

**Purchaser Down payment & closing costs**

**Property Liquid assets available**

**RATIO RESIDUAL**

(B) (C)

**A**. **Monthly gross income** **(A) Monthly gross income**

**B**. **Housing expense** Federal Tax (-)

Principal and Interest State Tax (-)

Taxes and Insurance Social Security (-)

MI Retirement (-)

Association Fee Child Care (-)

PI for second Trust Monthly Debts (-)

**Total**  **(B)** Rental Negative (-)

**C.** **Debt service** Non-taxable Income (+)

Housing Expense **(B)** **Subtotal**

Monthly Debt Payments Total \_\_\_\_\_\_\_

Rental Negatives Taxes & Insurance (-) \_\_\_\_\_\_\_

**Total** **(C)** Utilities (-) \_\_\_\_\_\_\_

**Housing Ratio:** Maintenance (-) \_\_\_\_\_\_\_

**(B)** divided by **(A)** % Association Fee (-) \_\_\_\_\_\_\_

**Debt Ratio:** Family Support (-) \_\_\_\_\_\_\_

**(C)** divided by **(A)** % **Balance available for principal**

**and interest** \_\_\_\_\_\_\_

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 2021 is 7.65% and 15.30% for self-employed on a maximum base of $142,800. 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 (-) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Available for Principal & Interest**  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Divide the principal & interest by interest

rate factor per $1,000 which is prevailing for divide by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (factor)

program desired at time of

pre-qualification = \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Multiply answer by 1,000 to arrive at** x \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**maximum loan amount**

=$ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 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) \_\_\_\_\_\_\_\_\_\_\_