

FACTORS DEVELOPED BY DEPARTMENT OF HOUSING  
AND URBAN DEVELOPMENT TO DETERMINE MIP

| Portion of MIP Financed | Term of Loan (Years) |             |             |               |
|-------------------------|----------------------|-------------|-------------|---------------|
|                         | Less than 18 years   | 18-22 years | 23-22 years | Over 25 years |
| 100%                    | 0.02400              | .03000      | .03600      | 0.03800       |
| All Cash                | 0.02344              | .02913      | .03475      | 0.03661       |

HOW TO CALCULATE MIP'S

Option 1. Displacee elects to pay entire MIP up front in escrow.

The eligible reimbursement will be considered as an incidental expense and will be the appropriate factor multiplied by the remaining balance of the loan on the acquired property or the new loan on a comparable replacement dwelling, whichever is less.

Option 2. Displacee elects to finance the MIP.

The MIP is eligible for reimbursement as part of the interest differential payment. Calculation of the payment is as follows:

Step 1 – Determine the lesser of the remaining balance of the loan on the acquired property or the new loan on a comparable replacement dwelling.

Step 2 – Multiply the appropriate factor by the lesser of the loan as determined in Step 1.

Step 3 – Add the results of Step 2 to Step 1.

Step 4 – The result of Step 3 is considered to be the “new” loan for purposes of calculating the interest differential payment.

- \* Displacees should be informed that the entitlement amount in option #1 will result in a larger payment.