

Building Feasibility Worksheet

Includes helpful tables for estimating your home project total and monthly payments

Financing Basics:

If you are like most home buyers, you will require a loan or mortgage to finance your new home. Here are a few basics you need to know before applying for home financing.

Mortgage or consumer loan?

If land is part of your home purchase, or if you already own land and can use it as security for the loan, then you will need a mortgage. A manufactured or modular home mortgage works the same as a mortgage on a site-built home. However, if you are purchasing a home to be placed in a community, then the loan is for the home itself and is called a consumer or retail installment loan. A consumer loan usually takes less time to

process and has lower closing costs than a traditional mortgage. The interest rate is often higher financing just the home, and not the land it sits upon.

Financing through the retailer or an outside lender?

Plattsburgh Housing Outlet can help arrange financing. However, if you prefer, you may choose to finance your home through an outside lender such as a bank, credit union or mortgage company.

Monthly payment?

Plattsburgh Housing Outlet (or your lender) will meet with you to "pre-qualify"

you for your mortgage or consumer loan. We will work with you to determine your budget, give you an idea of your borrowing capacity, and discuss down payment requirements. Together we will determine the monthly payment you feel comfortable with. Then, that monthly cost will be translated to the price of your new home project. The worksheet on the following pages will help you estimate your monthly costs, whether you are considering a manufactured or modular home.

Tax Savings?

Our homes are not only affordable, they represent a good investment. *Financing your new home will allow you to take a tax deduction for your interest cost.* Your tax professional can help explain the benefits.

What a lender sees:

When you apply for your new home loan, the lender will assess how likely you are to make your payments and repay your loan in full. To make this assessment, lenders will review your income and debt, credit history, job stability, and down payment.

Income & debt:

Most lenders require that you pay no more than 27 to 35 percent of your gross income on all shelter costs. This is known as the "Gross Debt Service Ratio."

You may have other debt, of course, but as a rule, in combination with shelter costs, the total of all regular payments should not exceed 37 to 45 percent of your gross income, as a rule. This is the "Total Debt Service Ratio."

If your debt exceeds this limit, don't panic...it doesn't necessarily mean that you will not be approved, but it may reduce the amount of loan for which you qualify.

Credit History:

This is your record of payment on previous and current obligations. Lenders will review your record at the appropriate credit bureau. If you previously had a mortgage, the lender will call the previous mortgagee (lender) to confirm the history. This is called a "mortgage rating."

In the early stages of the home buying process, it is a good idea to check the condition and accuracy of your credit report and prevent any "unwelcome" surprises. Upon request, Plattsburgh Housing Outlet will obtain your credit report and review with you at no charge or obli-

gation. The more we know about your credit, that we can share with the lender, the better.

Job stability:

Lenders are also interested in the stability of your flow of income. While exceptions are often made, lenders generally look for a history of several years with the same company, or progressive income increases in a succession of related jobs.

Down Payment:

Your housing affordability hinges upon the amount of money you can come up with for the down payment and closing costs. The more you can come up with, the less you have to borrow. At least five percent of the value of the home (or the home and property), should come from your own savings.

Estimate Your Monthly Costs

Your Manufactured Home on Private Property

Section II
Example

Mortgage (Loan) Information

Interest Rate 4.5%

Loan Duration: 30 year term

1.	\$80,000	Sample selling price inc. tax
2.	\$5,000	Sample options (bondwall, AC, etc)
3.	\$15,000	Sample land price
4.	\$2,500	Sample site prep
5.	\$7,500	Sample standard concrete slab
6.	\$6,500	Sample water/ well
7.	\$5,500	Sample, septic/ sewer
8.	\$3,000	Sample electric
9.	\$2,500	Sample crushed stone drive
10.	\$1,000	Sample misc. site work
11.	\$1,500	Sample finish grading
12.	\$3000	Sample GC fee (10% of 4-11)
13.	\$133,000	TOTAL OF ALL COSTS
14.	\$6,650	Less min down pmt. (line 13 x 5%)
15.	\$126,350	SUBTOTAL
16.	\$2,527	Sample loan orig. fee (line 15 x 2%)
17.	\$6,001	Sample closing costs, inc. survey (line 15 x 4.75%)
18.	\$134,878	Amount to finance (add 15,16,17)
19.	\$683	Mortgage payment, see table I
20.	\$	Escrowed taxes/ homeowners ins.
21.	\$	PMI- if less than 20% equity

Section II
Example

Mortgage (Loan) Information

Interest Rate _____%

Loan Duration: _____ year term

1.	\$	Sample selling price inc. tax
2.	\$	Sample options (bondwall, AC, etc)
3.	\$	Sample land price
4.	\$	Sample site prep
5.	\$	Sample concrete slab
6.	\$	Sample water/ well
7.	\$	Sample, septic/ sewer
8.	\$	Sample electric
9.	\$	Sample crushed stone drive
10.	\$	Sample misc. site work
11.	\$	Sample finish grading
12.	\$	Sample GC fee (10% of 4-11)
13.	\$	TOTAL OF ALL COSTS
14.	\$	Less min down pmt. (line 13 x 5%)
15.	\$	SUBTOTAL
16.	\$	Sample loan orig. fee (line 15 x 2%)
17.	\$	Sample closing costs, inc. survey (line 15 x 4.75%)
18.	\$	Amount to finance (add 15,16,17)
19.	\$	Mortgage pmt, use online calc.
20.	\$	Escrow, 1/12 of est. total
21.	\$	PMI, .5-1% of total per yr/ 12

Section III

Financing only the home?

The term of the loan will likely be 20-23 year maximum. And while the fees associated are substantially less than items 16-17 above, the interest rates will be higher. Depending on amount down and credit, utilize 6.5-9% to get a ballpark payment on the house amount only.

Other considerations:

Plattsburgh Housing Outlet is pleased to give you the tools you need to help you through all the steps of building a new home. In addition to these worksheets, our home consultants can also help you determine how much money a finance company will be willing to lend you, based upon your income and existing commitments. This should give you a well rounded approach to understanding your home building project.

The above worksheet gives you typical totals when purchasing a manufactured home. Your building consultant will be able to give you advice and sample costs if you decide that you want items such as: smooth finish drywall, residential roof pitch or a full foundation or engineered slab.

Estimate Your Monthly Costs

Your Modular Home on Private Property

Section II
Example

Mortgage (Loan) Information

Interest Rate 4.5%

Loan Duration: 30 year term

1.	\$500	Sample eng. Foundation plan
2.	\$120,000	Sample selling price inc. tax
3.	\$5,000	Sample options (porch, deck etc)
4.	\$15,000	Sample land price
5.	\$2,500	Sample site prep
6.	\$18,000	Sample foundation
7.	\$6,500	Sample water/ well
8.	\$5,500	Sample septic/ sewer
9.	\$11,000	Sample heating system/ water tie-ins
10.	\$3,000	Sample electric
11.	\$2,000	Sample crushed stone drive
12.	\$1,000	Sample misc. site work
13.	\$1,500	Sample finish grading
14.	\$5100	Sample GC fee (10% of 5-13)
15.	\$196,600	TOTAL OF ALL COSTS
16.	\$9,830	Less min. down pmt (5% of line 15)
17.	\$186,700	SUBTOTAL
18.	\$3,735	Sample loan origination fee (line 17 x 2%)
19.	\$8,868	S. Closing costs (line 17 x 4.75%)
20.	\$199,303	Amount to finance (add 17,18,19)
21.	\$1010	Mortgage payment, see table I
22.		Escrowed taxes/ homeowners ins
23.		PMI- if less than 20% equity

Section II
Example

Mortgage (Loan) Information

Interest Rate _____%

Loan Duration: _____ year term

1.	\$	Sample eng. Foundation plan
2.	\$	Sample selling price inc. tax
3.	\$	Sample options (porch, etc)
4.	\$	Sample land price
5.	\$	Sample site prep
6.	\$	Sample foundation
7.	\$	Sample water/ well
8.	\$	Sample septic/ sewer
9.	\$	Sample heating system
10.	\$	Sample electric
11.	\$	Sample crushed stone drive
12.	\$	Sample misc. site work
13.	\$	Sample finish grading
14.	\$	Sample GC fee (10% of 5-13)
15.	\$	TOTAL OF ALL COSTS
16.	\$	Less min. down pmt (5% of line 15)
17.	\$	SUBTOTAL
18.	\$	Sample loan origination fee (line 17 x 2%)
19.	\$	S. Closing costs (line 17 x 4.75%)
20.	\$	Amount to finance (add 17,18,19)
21.	\$	Mortgage pmt, use online calc
22.	\$	Escrow- 1/12 of est total
23.	\$	PMI- .5-1% of total per yr/ 12

Section III

Other possible costs:

Whether you are buying a manufactured or modular home, your loan and purchase may be subject to other variable costs. Lenders may also be able to offer optional bi-weekly payment schedules and adjustable rate loans. Lastly, remember that land and school taxes, private mortgage insurance and home owner's insurance have not been computed in the monthly payment. Your lender will give you guidance in computing this amount and whether or not an escrow account will be required.

Tax advantages:

Talk to your accountant or tax professional about mortgage interest deduction on your taxes.

Monthly principal and interest payment factors

Table 1 (Fixed rate)

Percentage rate

Loan duration	4.00%	4.50%	4.75%	5.00%	5.50%	5.75%	6.00%	6.25%	6.50%	6.75%	7.00%	7.25%	7.50%	7.75%	8.00%	8.25%	8.50%	8.75%	9.00%
10yrs.	10.33	10.46	10.59	10.72	10.85	10.98	11.10	11.23	11.35	11.48	11.61	11.74	11.87	12.00	12.13	12.27	12.40	12.53	12.67
15yrs.	7.40	7.65	7.78	7.91	8.17	8.30	8.44	8.57	8.71	8.85	8.99	9.13	9.27	9.41	9.56	9.70	9.85	9.99	10.14
20yrs.	6.06	6.33	6.46	6.60	6.88	7.02	7.16	7.31	7.46	7.60	7.75	7.90	8.05	8.21	8.36	8.52	8.65	8.84	9.00
25yrs.	5.28	5.56	5.70	5.85	6.14	6.29	6.44	6.60	6.75	6.91	7.07	7.23	7.39	7.55	7.72	7.68	8.05	8.22	8.39
30yrs.	4.77	5.07	5.22	5.37	5.68	5.84	6.00	6.16	6.32	6.49	6.65	6.82	6.99	7.15	7.34	7.51	7.69	7.87	8.05

Example for:
Computing your
monthly payment*

1.
\$134,878

2.
\$134.878

3.
5.07

4.
\$683.83

Description:
(We used info from section II)

1. Amount to be financed, from previ-
ous pages

2. Divide line 1 by 1000

3. Payment factor-use loan
information from section II-
example 4.5%, 30 years

4. Approximate monthly payment,
multiply line 2 by line 3

Worksheet for:
Computing your
monthly payment

1. \$ _____

2. \$ _____

3. Factor: _____

4. \$ _____

Description:

1. Amount to be financed, from previ-
ous pages

2. Divide line 1 by 1000

3. Payment factor-use loan
information from section II and
table above

4. Approximate monthly payment,
multiply line 2 by line 3

Escrowed taxes/ insurance and Private Mortgage Insurance

Table 2

Taxes

Yearly land/ school taxes	Escrow per month
\$2000	\$166
\$2500	\$208
\$3000	\$250
\$4000	\$333

Example for
determining
monthly payment*

1.
\$683.83

2.
\$208

3.
\$50

4.
\$50

5.
\$991.83

Description:

1. Monthly principal and interest due,
line 4 above

2. Monthly escrowed land and school
taxes (\$2500)

3. Monthly homeowners insurance
escrow (\$600)

4. Private mortgage insurance, when
less than 20% equity position-
approx. \$50-125/ mo.

5. **Total due each month**
Add lines 1-4

Insurance

Yearly homeowners policy	Escrow per month
\$500	\$41.67
\$600	\$50
\$700	\$58
\$800	\$66

Example for
determining
monthly payment

1. _____

2. _____

3. _____

4. _____

5. _____

Description:

1. Monthly principal and interest due,
line 4 above

2. Monthly escrowed land and school
taxes (\$2500)

3. Monthly homeowners insurance
escrow (\$600)

4. Private mortgage insurance, when
less than 20% equity position-
approx. \$50-125/ mo.

5. **Total due each month**
Add lines 1-4

PMI

Based upon the
amount you are
borrowing, add \$50-125 per
month for PMI, until you
have reached a 20% equity
position for your loan.