



STATE OF ALASKA
DEPARTMENT OF TRANSPORTATION
AND PUBLIC FACILITIES

**COMPUTATIONS
FOR INCIDENTAL EXPENSES AND
INCREASED INTEREST COSTS**

PROJECT NAME: _____

STATE PROJECT #: _____

FEDERAL-AID PROJECT #: _____

PARCEL #: _____ UNIT #: _____

INCIDENTAL EXPENSES (Replacement Property)

- \$ _____ Legal, closing and related costs, including title search, preparing conveyance instruments, notary fees, preparing surveys and plats, and recording fees.
- \$ _____ Lender, FHA or VA application and appraisal fees
- \$ _____ Loan origination or assumption fees
- \$ _____ Home Inspection or Engineer's Report
- \$ _____ Credit report
- \$ _____ Owner's and mortgagee's evidence of title, e.g. title insurance
- \$ _____ Escrow agent's fee
- \$ _____ Septic and water tests
- \$ _____ Other:

\$ _____ **TOTAL AMOUNT OF INCIDENTAL EXPENSES**

NOTE: No part of the debt service or finance charge is to be included above.

INCREASED MORTGAGE INTEREST COMPUTATIONS — BUYDOWN METHOD

	Monthly Payment	# Months Remaining	Interest Rate	Mortgage Balance
Acquired Dwelling	\$ _____	_____	_____	\$ _____
Replacement Dwelling	\$ _____	_____	_____	\$ _____
Difference	\$ _____	_____	_____	\$ _____
Points	_____ on	\$ _____	(new mortgage) =	\$ _____

TOTAL BUYDOWN PAYMENT TO MAINTAIN MONTHLY PAYMENT = \$ _____

Directions for above computations:

1. Fill in information for acquired dwelling and known information for replacement dwelling.
2. Monthly payment amount for replacement dwelling = same as acquired dwelling.
3. Enter the replacement dwelling's mortgage balance from the Annuity Tables.

\$ _____ **TOTAL AMOUNT OF INCIDENTAL EXPENSES**

\$ _____ **TOTAL AMOUNT OF INTEREST PAYMENT**

\$ _____ **ORIGINATION OR SERVICE FEE (if not claimed as incidental expense)**

\$ _____ **TOTAL PAYMENT**

Date: _____

Right-of-Way Agent: _____

NOTE: Sample computation on Page 2.

SAMPLE COMPUTATION

Old Mortgage:

Remaining principal balance	\$50,000.00
Monthly payment (principal & interest)	\$458.22/month
Interest rate (%)	7%

New Mortgage:

Interest rate (%)	10%
Points	3 points
Term (years)	15 years

The remaining term of the old mortgage is determined to be 174 months. (Determining or computing the actual remaining term is more reliable than using the data supplied by the mortgagee.) If shorter, use the term of the new mortgage and compute the needed monthly payment.

Amount to be financed to maintain monthly payments of \$458.22 at 10% = \$42,010.18.

Remaining principal balance	\$50,000.00
Computed amount for new mortgage	- <u>\$42,010.18</u>
Increased mortgage interest costs	\$7,989.82
Computed amount of new mortgage	\$42,010.18
3 points	x 0.03
	= <u>\$1,260.31</u>
Increased mortgage interest costs	\$7,989.82
Points	+ <u>\$1,260.31</u>
Total Buydown necessary to maintain payments at \$458.22/month	\$9,250.13

If the new mortgage actually obtained is less than the computed amount for a new mortgage (\$42,010.18), the Buydown shall be prorated accordingly. If the actual mortgage obtained in the example were \$35,000, the Buydown payment would be (\$35,000 divided by \$42,010.18 = 0.8331 so \$9,250.13 x 0.8331 =) \$7,706.57.