



# *Doing the Monthly Payment Math*

## Heritage Greens Home Purchase 2008 Community Land Trust Example

This purchase example uses the reduced sales price of \$155,900 and GMHF down payment assistance of \$3,800 to determine the total monthly payment cost to an eligible buyer purchasing in Heritage Greens. Additional financing products and assistance include MHFA CASA, MHFA HAF, gap financing, monthly payment assistance and CLT price reduction of \$27,116.

### **TOTAL COST TO BUYER:**

Market sales price:	\$145,000 (Owens Model)
Estimated closing costs:	\$ 5,000
CLT price reduction:	<u>(\$ 27,116)</u>

**Total due from buyer: \$133,784**

### **TRANSACTION BREAKDOWN:**

Buyer's earnest money:	\$500
GMHF down payment grant:	\$3,800 (down payment or closing cost expenses)
1 <sup>st</sup> Mortgage 40 yr. term @ 6.125%*:	\$107,200
HAF down payment Assistance:	\$3,000 0%, deferred junior lien
Gap financing:	\$7,884 0%, deferred junior lien
Additional buyer funds:	\$500

Principal & Interest:	\$581**
Estimated monthly taxes/insurance:	\$250 (\$1800 annual taxes, \$600 annual insurance & \$50 monthly PMI)
Monthly Payment Assistance:	\$75/month deduction 1st year

**Total estimated monthly PITI: \$756**

*\*MHFA CASA interest rates have fluctuated between 5.5% and 6.125% for the last six months. Interest rate shown above is current as of 8-04-2008.*

*\*\*Principal & interest for 30 yr. term 1<sup>st</sup> mortgage is \$634.*

*The monthly PITI listed in this example is based on a buyer qualifying for all available financing and assistance products through a participating lender and Central MN Housing Partnership/Central MN Community Land Trust. Each buyer must meet eligibility requirements and qualify for all products and meet underwriting guidelines of first mortgage lender. The estimated monthly PITI, financing product amounts, interest rates, estimated taxes, insurance and PMI are not guaranteed and are subject to change.*