	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	- $42,010.18
Increased mortgage interest costs	$7,989.82
Computed amount of new mortgage	$42,010.18
3 points	x 0.03
	= $1,260.31
Increased mortgage interest costs	$7,989.82
Points	+ $1,260.31
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.