

GUIDE FOR DETERMINING RENTAL INCOME FROM AN OWNED HOUSE

Project Name: _____ **Unit:** _____

Name of Tenant: _____ **Date:** _____

A. Description of House

1. Total Square Feet _____ Square Feet Living Area _____ No. of Stories _____
2. Most Recent Assessed Value of House \$ _____
3. Estimated Market Value of House \$ _____
(If #3 is less than #2, provide Justification on an attachment)

B. Liens against the House

1. Lienholder _____ Unpaid Debt \$ _____
2. Lienholder _____ Unpaid Debt \$ _____
3. Total debts against the house (B1 + B2) = \$ _____

C. Determining Net Value

1. Estimated Market Value from line A3 \$ _____
2. Total debt from line B3 -\$ _____
3. Broker Fees (5% of line A3) -\$ _____
4. Legal Fees (1% of line A3) -\$ _____
5. Net Value of the House (C1 minus C2, C3 and C4) \$ _____

INCLUDE THE NET VALUE OF THE HOUSE IN PART III LINE 15 OF FORM RD 3560-8

D. Determining Imputed and Net Income for the upcoming year

1. Imputed: Net value of the House (C5) _____ X Passbook Rate ____% = \$ _____
(Check with Rural Development on Passbook Rate to use)
2. Projected Net Yearly Income
 - a. Yearly Income to be received from rental \$ _____
 - b. Yearly Interest paid on house loan(s) -\$ _____
 - c. Yearly Real Estate Taxes paid on house -\$ _____
 - d. Yearly Property Insurance paid on house -\$ _____
 - e. Yearly normal repairs paid on house -\$ _____
 - f. Other yearly expenses _____ -\$ _____

(Itemize)

3. Projected Net Yearly Income (a minus b, c, d, e and f) \$ _____

ENTER THE LARGER OF D1 or D3 IN PART III LINE 16

E. Supporting documentation

May include copies of Income Tax Return, Real Estate Tax Receipt, Lease Forms, most recent Assessment Forms, etc.

F. Name and Address of Tenant Occupying the Rental Property

Name: _____
Address: _____

Signature: _____ **Date:** _____

“This institution is an equal opportunity provider.”

