

APPENDIX N: HUD-1 AGGREGATE ACCOUNTING ADJUSTMENT EXAMPLE

Given: City Property Taxes \$1200 in December
 Insurance \$360 in September

First regular monthly payment in June

Option 1: Aggregate at closing

Two month cushion chosen

1000.	Reserves Deposited With Lender			
1001.	Hazard Insurance	10 months @	\$30 per month	300
1002.	Mortgage Insurance	months @	per month	
1003.	City Property Taxes	7 months @	\$100 per month	700
1004.	County Property Taxes	months @	per month	
1005.	Annual Assessments	months @	per month	
1006.		months @	per month	
1007.		months @	per month	
1008.	Aggregate Accounting Adjustment			-90

This adjustment works so long as single item is performed as indicated in this rule and shown in examples in the appendices. Errors may result if the instructions for single item in this rule are not followed.

Option 2: Single item at closing, one month cushion

1000.	Reserves Deposited With Lender			
1001.	Hazard Insurance	9 months @	\$30 per month	270
1002.	Mortgage Insurance	months @	per month	
1003.	City Property Taxes	6 months @	\$100 per month	600
1004.	County Property Taxes	months @	per month	
1005.	Annual Assessments	months @	per month	
1006.		months @	per month	
1007.		months @	per month	
1008.	Aggregate Accounting Adjustment			