



**Real Estate Tax Proration**

The mortgagee must document that the borrower has sufficient assets to meet the MRI and the borrower paid closing costs at the time of underwriting. If the real estate tax credits, seller paid closing costs, etc. cause the funds needed at closing to be less than the MRI, the file will still need documentation of sufficient assets to meet the full MRI. Example -- \$100,000 purchase price the MRI = \$3,500. If the funds to close end up at \$2,800 due to the credits, mortgagee must still document \$3,500 of acceptable assets.