

Here are some examples of how to convert a rent differential from a conventional dwelling, to a down payment and rent differential for the purchase of a mobile home, and the rent of a mobile home park space.

Example 1 – Little or no rent with KFC (not considered hardship)

RD Per Your Computation This is the maximum we will pay – it does not change in this computation	\$36,000
Economic Rent (NO utilities added)	\$550
Price of Mobile Home Purchased	\$26,000
Deposit (No longer limited to 20%)	\$26,000
Incidentals and Set Up Costs – pay for hookups, skirting, loan fees, etc. Does not include MH sales or use tax on the difference if the actual cost exceeds the calculated replacement cost or Motor Vehicle registration fees on MHs	\$200
Original RD	\$36,000
Less DP and Incidentals	\$26,200
RD Remaining Maximum left to spend	\$9,800
Amount to be Financed	\$0
Estimated Mortgage Costs Based on displacee's terms (principal and interest)	\$0
Monthly Space Rental and Utility Costs	\$400
Total New Housing Costs	\$400
Less Current Rent and Utilities	\$0
Monthly Difference	\$400
New Site Rent Differential Difference x 42 months	\$16,800
Due to "Spend-to-Get" Requirement Rent Differential to be Paid Cannot pay more than \$9,800 remaining	\$9,800

**GUIDANCE ON CONVERTING A RENT DIFFERENTIAL (RD)
TO A DOWN PAYMENT (DP) FOR A MOBILE HOME (Cont.)**

Example 2 – Little or no rent with KFC/Hardship

RD Per Your Computation This is the maximum we will pay – it does not change in this computation	\$36,000
Actual Rent (0) plus Actual Average Utilities	\$100
Price of Mobile Home Purchased	\$26,000
Deposit (No longer limited to 20%)	\$26,000
Incidentals and Set Up Costs – pay for hookups, skirting, loan fees, etc. Does not include MH sales or use tax on the difference if the actual cost exceeds the calculated replacement cost or Motor Vehicle registration fees on MHs	\$200
Original RD	\$36,000
Less DP and Incidentals	\$26,200
RD Remaining Maximum left to spend	\$9,800
Amount to be Financed	\$0
Estimated Mortgage Costs Based on displacee's terms (principal and interest)	\$0
Monthly Space Rental and Utility Costs	\$400
Total New Housing Costs	\$400
Less Current Rent and Utilities	\$100
Monthly Difference	\$300
New Site Rent Differential Difference x 42 months	\$12,600
Due to "Spend-to-Get" Requirement Rent Differential to be Paid Cannot pay more than \$9,800 remaining	\$9,800