Formulas to Know

Amortization 30 years HP	**360 [N] [SHIFT][AMORT]**
Capitalization Rate (CAP)	**NOI divided by PRICE**
Cash Flow (CFBT)	**NOI minus DEBT SERVICE**
Cash on Cash	**CASH FLOW divided by AMOUNT OF DOWN PAYMENT [%]]**
Cost Per Square Foot	**PURCHASE PRICE divided by GROSS SQ. FT OF BUILDING**
Cost Per Unit	**PURCHASE PRICE divided by # OF UNITS**
Debt Coverage Ratio (DCR)	**1.15 (115) THIS FLUCTUATES (measures income producing property's ability to cover the monthly mortgage payments.)**
Down Payment	**PRICE times DOWN%**
Down Payment %	**DOWN divided by PRICE**
Debt Service HP	**360[N]6.25[i]loan amount[PV][PMT]X12 (At this point, continue to solve for Prin, Int and Bal)**
Effective Rental Income (ERI)	**PRI minus 3%**
Equity	**PURCHASE PRICE minus LOAN**
Expense per Unit	**EXPENSES divided by # OF UNITS**
Expense Percent of sgi	**EXPENSES divided by SGI**
Expenses	**SGI minus NOI {OR} ERI plus OTHER EXPENSES minus NOI**
Gross Rent Multiplier (GRM)	**PURCHASE PRICE divided by SGI**
Interest Rate	**GET FROM RATE SHEETS**
Loan To Value (LTV)	**LOAN AMOUNT divided by PRICE**
Max. Loan Amount HP	**360 [N] QUAL. RATE [I/YR] MAX MONTHLY DEBT SERVICE [PMT] [PV]**
Max Monthly Debt Service	**[(NOI divided by DCR) divided by 12]=**
Net Operating Income (NOI)	**SGI minus EXPENSES**
Potential Rental Income (PRI)	**Actual Monthly rents X 12**
Price	**NOI divided by CAP {OR} SGI times GRM**
Price per unit	**PURCHASE PRICE divided by NUMBER OF UNITS**
Principal Reduction HP	**360 [N] 6.25% [I/YR] LOAN AMOUNT [PV] [PMT] [SHIFT] [AMORT]= PRIN=INT=BAL**
Qualifying Rate	**FROM LOAN OFFICER**
Scheduled Gross Income (SGI)	**(PRI minus 3%) plus OTHER INCOME**
Total Return	**PRICIPLE REDUCTION plus CASH FLOW divided by DOWN PAYMENT**
Vacancy	**use 3%**
Yearly Debt Service	**NOI divided by DCR (typically 1.15 - 1.25)**