

WHAT CAN YOU AFFORD

	COLUMN A	COLUMN B
Annual income before taxes (gross):	\$	
Divide by number of months	÷ 12	
Monthly gross income (record in both columns, perform operations only in same columns)	=	=
Many lenders will not allow you to spend more than 28% of your income on housing expense: (column B)		x .28
Maximum monthly housing expense allowance (column B):		=
Many lenders allow 36% of monthly gross income for long-term debt:	x .36	
Long-term monthly expense allowance:	=	
Figure out your monthly long-term obligations below, and subtract it from the allowance:	-	
child support	\$	
auto loan	+	
credit cards	+	
association fees	+	
other	+	
total long-term obligations	=	
Monthly housing expense allowance:	=	
Look at the last amount in columns A and B above. Record the smaller amount	\$	
About 20% of the housing expense allowance is for taxes and insurance, leaving 80% for mortgage payment		x .80
Allowable monthly principle and interest (PI) expense:	=	
Divide by "Monthly payment per thousand dollars" from the chart on page 2	÷	
	=	
Multiply by 1,000:	x 1,000	
Affordable mortgage amount (what lender will lend):	\$	

ESTIMATE YOUR MORTGAGE PAYMENT

Interest Rate	Monthly payment per thousand dollars			Interest Rate	Monthly payment per thousand dollars		
	15 Years	20 Years	30 Years		15 Years	20 Years	30 Years
4.25%	\$7.53	\$6.21	\$4.93	9.25%	\$10.29	\$9.16	\$8.23
4.50%	\$7.65	\$6.34	\$5.08	9.50%	\$10.44	\$9.32	\$8.41
4.75%	\$7.78	\$6.48	\$5.22	9.75%	\$10.60	\$9.49	\$8.60
5.00%	\$7.91	\$6.60	\$5.37	10.00%	\$10.75	\$9.66	\$8.78
5.25%	\$8.04	\$6.74	\$5.53	10.25%	\$10.91	\$9.82	\$8.97
5.50%	\$8.18	\$6.89	\$5.69	10.50%	\$11.06	\$9.99	\$9.15
5.75%	\$8.31	\$7.03	\$5.84	10.75%	\$11.22	\$10.16	\$9.34
6.00%	\$8.44	\$7.17	\$6.00	11.00%	\$11.37	\$10.33	\$9.53
6.25%	\$8.58	\$7.32	\$6.16	11.25%	\$11.53	\$10.50	\$9.72
6.50%	\$8.72	\$7.46	\$6.33	11.50%	\$11.69	\$10.67	\$9.91
6.75%	\$8.85	\$7.61	\$6.49	11.75%	\$11.85	\$10.84	\$10.10
7.00%	\$8.99	\$7.75	\$6.65	12.00%	\$12.01	\$11.02	\$10.29
7.25%	\$9.13	\$7.90	\$6.82	12.25%	\$12.17	\$11.19	\$10.48
7.50%	\$9.27	\$8.06	\$6.99	12.50%	\$12.33	\$11.37	\$10.68
7.75%	\$9.41	\$8.21	\$7.16	12.75%	\$12.49	\$11.54	\$10.87
8.00%	\$9.56	\$8.36	\$7.34	13.00%	\$12.66	\$11.72	\$11.07
8.25%	\$9.70	\$8.52	\$7.51	13.25%	\$12.82	\$11.90	\$11.26
8.50%	\$9.85	\$8.68	\$7.69	13.50%	\$12.99	\$12.08	\$11.46
8.75%	\$9.99	\$8.84	\$7.87	13.75%	\$13.16	\$12.26	\$11.66
9.00%	\$10.14	\$9.00	\$8.05	14.00%	\$13.32	\$12.44	\$11.85