

# Financing Worksheet\*

## How Much Home Can You Afford?

	Example	Your Figures
1. Gross annual income before taxes	\$ 60,000	_____
2. Gross monthly income <i>(Line 1 divided by 12 months)</i>	\$ 5,000	_____
3. Maximum percent of income spent on long-term debt <i>(36%-41% of gross monthly income obligations is traditionally allocated for principal, taxes, insurance, and monthly long-term debt obligations. This example use 36%)</i>	\$ 1,800	_____
4. Estimated monthly debt obligations: credit cards, installment loans, auto and educational loans, child support, etc.	\$ 600	_____
5. Estimated monthly allowable housing expense <i>(Subtract Line 4 from Line 3)</i>	\$ 1,200	_____
6. Monthly principal and interest payment <i>(80% of the monthly housing expense is traditionally allocated to the principal and interest payments, excluding taxes and insurance.)</i>	\$ 960	_____
7. Estimated mortgage amount <i>(Assumptions: 7% interest loan, 30-year fixed. The cost factor per thousand is 6.65. Divide Line 6 by this factor and multiply by \$1,000.00.)</i>	\$144,360	_____
8. Percentage of down payment <i>(Line 7 divided by .80. 80% is the mortgage amount assuming a 20% down payment.)</i>	20%	_____
9. Estimated affordable price	\$180,450	_____

*\*This worksheet is intended for example purposes only to help illustrate how a lender might work with you to determine how much you can afford. There are many other variables and factors to consider; your rate and affordable price will vary based on down payment, credit score, loan terms, etc.*