



HOW MUCH CAN I AFFORD?

1. Your Total Gross Monthly Income (before taxes) \$ _____
 2. Multiply by 30 percent x .30
 3. Equals **Allowable Monthly Housing Expense** \$ _____ *
- (Principal, Interest, Real Estate Taxes, Hazard Insurance, PMI, Condo Fee)

TOTAL MONTHLY DEBT WORK SHEET	
1. Allowable Monthly <u>Housing</u> Expense (fill in amount from above)	\$ _____ *
Enter the minimum payment requirement for each Expenses such as utilities, phone, grocery, health insurance, medical, and car insurances are not considered in total monthly debts for loan qualifying purpose.)	
2. Installment and Revolving Debt (personal loans, recreational vehicle loans, credit cards, store accounts)	\$ _____
3. Car Loan	\$ _____
4. Student Loan	\$ _____
5. Existing Real Estate Loans (if not selling present home)	\$ _____
6. Alimony/Child Support	\$ _____
Add all debt (1-6) above to calculate your total monthly debt	
TOTAL MONTHLY DEBT	\$ _____

1. Your Total Gross Monthly Income (before taxes) \$ _____
2. Multiply by 40 percent x .40
3. Equals Your Maximum **Allowable TOTAL MONTHLY DEBT** \$ _____

MANAGE OTHER HOUSEHOLD DEBT:

Monthly Gross Income \$ _____ x .10 (10%) = \$ _____ ***.

Try to keep other monthly debt (not including Housing Expenses) at this amount *** or less.



This Chart shows how high your monthly housing expenses and total other monthly debt can be based on your income.

ALLOWABLE MONTHLY HOUSING EXPENSE & MONTHLY TOTAL DEBT BASED ON INCOME		
GROSS ANNUAL INCOME	ALLOWABLE HOUSING EXPENSE 30% (TOTAL OF TAXES, INSURANCE, CONDO FEE, PMI, PRINCIPAL & INTEREST)	ALLOWABLE TOTAL OTHER DEBT 10% (INSTALLMENT DEBT, CREDIT CARDS, STUDENT LOANS)
\$20,000	\$500	\$167
\$25,000	\$625	\$208
\$30,000	\$750	\$250
\$35,000	\$875	\$292
\$40,000	\$1,000	\$333
\$45,000	\$1,125	\$375
\$50,000	\$1,250	\$417
\$55,000	\$1,375	\$458
\$60,000	\$1,500	\$500
\$65,000	\$1,625	\$542
\$70,000	\$1,750	\$583
\$75,000	\$1,875	\$625
\$80,000	\$2,000	\$667
\$85,000	\$2,125	\$708
\$90,000	\$2,250	\$750
\$95,000	\$2,375	\$792
\$100,000	\$2,500	\$833
\$130,000	\$3,250	\$1,083

These ratios (.30 percent of total income for housing expenses and .10 percent for total other debt) are standard conservative ratio guidelines. If you have consistent record of paying rent that is very close in amount to your proposed monthly mortgage payments and good credit record you may be eligible for somewhat higher ratios.