

# How to Buy Your Own Home

## Unit 1: Lesson 4: How much can you afford to borrow?

### Comprehension check

Use Tom and Mary's worksheet, qualifying example 1, to answer the following questions:

1. Tom and Mary's gross annual income is \$33,000. How much would a lender allow them to spend on housing costs? \_\_\_\_\_
2. How much would their total monthly housing costs be for a \$55,000 mortgage loan? \_\_\_\_\_
3. Based on their income, how much total monthly debt (including their mortgage payment) can they have? \_\_\_\_\_
4. How much other monthly debt do they have?  
\_\_\_\_\_

Use Joe and Teresa's worksheet, qualifying example 2, to answer the following questions:

5. In addition to their salaries, what other income do Joe and Teresa have?  
\_\_\_\_\_
6. How large a down payment are they able to make? \_\_\_\_\_
7. What is Joe and Teresa's allowable monthly debt? \_\_\_\_\_