

# How to Buy Your Own Home

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

### Home Mortgage Qualifying Worksheet

#### Monthly Gross Income

Borrower's annual income	\$ _____
Co-borrower's annual income	+ _____
Total gross annual income	\$ _____
Divide total gross income by 12	_____
Total monthly gross income	\$ _____

#### Allowable Monthly Housing Cost (A)

Total monthly gross income	\$ _____
Multiply by 28%	x _____

**Allowable monthly housing costs** \$ \_\_\_\_\_ (A)

#### Mortgage Amount

Home purchase price	\$ _____
Down payment	- _____
Mortgage loan amount	\$ _____

#### Monthly Taxes and Insurance

Home purchase price	\$ _____
Multiply by .0025 (local prices vary)	x _____
Estimated monthly taxes and insurance	\$ _____

#### Monthly Housing Cost (B)

Monthly payment on 30-year loan (Use the chart on page 30)	\$ _____
Estimated monthly taxes and insurance	+ _____
Condo or homeowner's fee (if applicable)	+ _____

**Total monthly housing costs** \$ \_\_\_\_\_ (B)

#### Allowable Monthly Debt (C)

Total monthly gross income	\$ _____
Multiply by 36%	x _____

**Allowable total monthly debt** \$ \_\_\_\_\_ (C)

#### Other Monthly Debt Payment

Car payment	\$ _____
Credit card(s) payments	+ _____
Student loan	+ _____
Other	+ _____
Total monthly debt payments	\$ _____

#### Total Monthly Debt (D)

Total monthly housing cost	\$ _____
Total other monthly debt	\$ _____

**Total monthly costs** \$ \_\_\_\_\_ (D)