

WHAT CAN YOU AFFORD?

Realistically assessing your finances upfront will streamline the homefinding process.

Step 1 Monthly Income

Wages, salaries, business income after expenses _____

Interest, dividends or rental income _____

Other income (alimony, child support, pensions or Social Security) _____

Total Monthly Income (Step 1) \$ _____

Step 2 Monthly Non-Housing Expenses

Food/clothing _____

Medical (include insurance premiums and prescriptions) _____

Life insurance _____

Child care _____

Automobile expenses (loan, insurance, maintenance) _____

Education/student loans _____

Travel/recreation _____

Monthly credit card payments _____

Monthly bank loan payments (other than a mortgage) _____

Alimony or child support you owe _____

Savings and investments _____

Income taxes _____

Total Monthly Non-Housing Expenses (Step 2) \$ _____

Step 3 Amount Available for Monthly Housing Expenses

Total Monthly Income (Step 1) _____

minus total Non-Housing Expenses (Step 2) _____

Equals Amount Available for Monthly Housing Expenses (Step 3) \$ _____

Step 4 Monthly Estimated Housing Expense

Mortgage loan payment (principal and interest — see chart) _____

Property taxes _____

Mortgage insurance _____

Homeowner's insurance (liability, flood, fire) _____

Utilities (heat, water, electricity, gas, trash removal) _____

Maintenance and repairs _____

Other (assessments, homeowners association dues) _____

Total Monthly Estimated Housing Expenses (Step 4) \$ _____

Compare Step 3 and Step 4 Totals. The Total Monthly Estimated Housing Expenses (Step 4) should not exceed the Amount Available for Monthly Estimated Housing Expenses (Step 3).