UtahStateUniversity
COOPERATIVE EXTENSION

HOME OWNERSHIP
FACT SHEETS

How Much House Can You Afford?

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Are Your Debts Excessive?

LIST ALL YOUR MONTHLY DEBT PAYMENTS. (Required Minimum Payment)

$_____Auto Loans

$_____Credit Cards

$_____Student Loans

$_____Medical Debt

$_____Child Support / Alimony

$_____Other Loans

$_____Total Monthly Debt Payment

CIRCLE INCOME ON GRAPH BELOW

Conventional 28/36 **FHA 29/41**

Gross Annual Income	Allowable Monthly Debt Payments	Allowable Monthly Debt Payments
$5,000	$33	$50
$10,000	$67	$100
$15,000	$100	$150
$20,000	$133	$200
$25,000	$167	$250
$30,000	$200	$300
$35,000	$233	$350
$40,000	$267	$400
$45,000	$300	$450
$50,000	$333	$500
$55,000	$367	$550
$60,000	$400	$600
$65,000	$433	$650

BASED ON YOUR ANNUAL HOUSEHOLD INCOME, DO YOU KNOW THE AMOUNT OF MORTGAGE YOU CAN QUALIFY FOR? ***This chart simplifies the qualification process by using figures based on principal and interest (PI) equaling 25% of your gross income. This means your taxes and insurance are not included. Since most lenders qualify buyers whose total housing expenses include taxes and insurance (PITI =28% or 29% of gross income), this chart will give you a fairly accurate answer on how much house you can afford. (Circle one.)***

Annual Income	$15,000	$20,000	$25,000	$30,000	$35,000	$40,000	$45,000	$50,000
6.0%	52,380	69,840	87,300	104,700	122,230	139,690	157,150	174,610
6.5%	49,530	66,040	82,540	99,040	115,550	132,060	148,570	165,080
7.0%	46,970	62,630	78,290	93,940	109,600	125,260	140,910	156,570
7.5%	44,960	59,590	74,490	89,390	104,280	119,180	134,080	148,980
8.0%	42,590	56,780	70,980	85,180	99,370	113,570	127,770	141,960
8.5%	40,640	54,190	67,740	81,280	94,830	108,380	121,930	135,470
9.0%	38,840	51,780	64,730	77,680	90,620	103,570	116,510	129,460
9.5%	37,160	49,550	61,940	74,330	86,720	99,110	111,490	123,880
10.0%	35,610	47,480	59,350	71,220	83,090	94,960	106,830	118,700
10.5%	34,160	45,550	56,940	68,330	79,710	91,100	102,490	113,880
11.0%	32,810	43,750	54,960	65,630	76,570	87,510	98,440	109,380

HAVE YOU EVER FIGURED YOUR PRINCIPAL, INTEREST, TAXES AND INSURANCE (PITI) RATIOS? ***Lenders use ratios to qualify home buyers. The following information will assist you in computing ratios.*** *Ratios may vary depending on debt and type of loan, and lending institution.*

Gross Monthly Income
(Borrower & Co-borrowers) $_____
$_____

Ratios (.36 if no debt) x .29
.41

Total Monthly House Payment = $_____(A)
$_____

Gross Monthly Income
(Borrower & Co-borrowers)

Ratio (House Payment + Debt) x

Total Monthly House Payment =

Less Debt Payments (see first page) –

$_____

Total Monthly House Payment =

$_____(B)

Note: Your Maximum House Payment to Qualify: The Lesser of (A) *or* (B) *above.*

Calculate Your Payment

The amount of your mortgage will depend on how much you borrow, the term (repayment period) of the loan, and the interest rate. If you know how much you need to borrow (the purchase price minus your down payment) and what the interest rate will be, you can use this chart to find what your monthly payment will be if you get a standard 30-year fixed-rate mortgage. Note that this chart includes only principal and interest payments, not property taxes and hazard insurance.

Loan Amount	INTEREST RATE										
	6%	6.5%	7%	7.5%	8%	8.5%	9%	9.5%	10%	10.5%	11%
$ 20,000	120	126	134	141	147	154	161	168	175	183	190
25,000	150	158	166	175	183	192	201	210	219	229	238
30,000	180	190	200	210	220	231	241	252	263	274	286
35,000	210	221	235	246	257	269	282	294	307	320	333
40,000	240	253	266	280	293	308	322	336	351	366	381
45,000	270	284	302	317	330	346	362	378	395	412	429
50,000	299	316	333	350	367	384	402	420	439	457	476
55,000	330	347	369	388	404	423	443	462	483	503	524
60,000	360	379	399	420	440	461	483	505	527	549	571
65,000	390	411	436	458	477	500	523	547	570	595	619
70,000	420	442	466	489	514	538	563	589	614	640	667
75,000	449	474	503	529	550	577	603	631	658	686	714
80,000	480	506	532	559	587	615	644	673	702	732	762
85,000	510	537	570	599	624	654	684	715	746	778	809
90,000	540	569	599	629	660	692	724	757	790	823	857
95,000	570	600	637	670	697	730	764	799	834	869	905
100,000	600	632	665	699	734	769	805	841	878	915	952
110,000	660	695	732	769	807	846	885	925	965	1,006	1,048
120,000	719	758	798	839	880	923	966	1,009	1,053	1,098	1,143
130,000	779	822	865	909	954	1,000	1,046	1,093	1,141	1,189	1,238
140,000	839	885	931	979	1,027	1,076	1,126	1,177	1,229	1,281	1,333
150,000	899	948	998	1,049	1,101	1,153	1,207	1,261	1,316	1,372	1,428
160,000	959	1,011	1,064	1,119	1,174	1,230	1,287	1,345	1,404	1,464	1,524
170,000	1,019	1,075	1,131	1,189	1,247	1,307	1,368	1,429	1,492	1,555	1,619
180,000	1,079	1,138	1,208	1,270	1,321	1,384	1,448	1,514	1,580	1,647	1,714
190,000	1,139	1,201	1,275	1,340	1,394	1,461	1,529	1,598	1,667	1,738	1,809

Adapted from: A Guide to Home Ownership (FannieMae)

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