



# Dollars & Sense

**Achieving the American dream of Homeownership is easier than you might think.** One of the first steps in reaching this goal is to understand what you will be able to borrow and determining a monthly payment you can afford. The mortgage industry has adopted several rules of thumb that will help you get the ball rolling.

## HOW MUCH CAN I AFFORD TO PAY EACH MONTH?

A general rule of thumb states that you will be able to spend 28% of your total income on a mortgage payment. The following chart will help you convert your annual income into a monthly payment. This payment includes principal and interest only. Factoring in unknown variables including taxes, insurance and homeowners fees will increase your monthly payment and reduce the total loan amount you will qualify for.

ANNUAL INCOME	MONTHLY PAYMENT
\$20,000	\$467
\$25,000	\$583
\$30,000	\$700
\$35,000	\$817
\$40,000	\$933
\$45,000	\$1,050
\$50,000	\$1,167
\$60,000	\$1,400
\$70,000	\$1,633
\$80,000	\$1,867
\$90,000	\$2,100
\$100,000	\$2,333

MONTHLY PAYMENT	LOAN INTEREST RATE / LOAN AMOUNT		
	5%	7%	9%
\$467	\$86,995	\$70,194	\$58,040
\$583	\$108,603	\$87,630	\$72,457
\$700	\$130,399	\$105,266	\$86,998
\$817	\$152,194	\$122,802	\$101,539
\$933	\$173,803	\$140,237	\$115,956
\$1,050	\$195,598	\$157,823	\$130,497
\$1,167	\$217,393	\$175,409	\$145,038
\$1,400	\$260,797	\$210,431	\$173,995
\$1,633	\$304,201	\$245,453	\$202,953
\$1,867	\$347,791	\$280,625	\$232,035
\$2,100	\$391,196	\$315,646	\$260,994
\$2,333	\$434,599	\$350,668	\$289,951

## HOW MUCH WILL I BE ABLE TO BORROW?

Now that you have an idea as to what you can afford each month, this table will give you an idea as to the amount you will be able to borrow. Add your anticipated down payment to arrive at a purchase price limit.

These tables are designed to give you a basic idea of what to expect as a homebuyer. It is important to recognize that your specific situation is unique and there are numerous loan programs to choose from. We are here to help you evaluate your options and select the program that will be most advantageous. Together we will find the best mortgage for you.

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