



Home Mortgage Qualifying Example I

Single borrower's gross annual salary	\$ 31,500
Total monthly income (\$31,500 divided by 12)	\$ 2,625
Monthly gross income	\$ 2,625
Multiply by 28%	x .28
Allowable monthly housing costs	\$ 735
Home purchase price	\$ 75,000
Down payment	- 5,000
Mortgage loan amount	\$ 70,000
30-year loan / 7% interest – monthly payment (PI)	\$ 466
Monthly taxes and insurance	+ 155
Total monthly housing costs	\$ 621
Monthly gross income	\$ 2,625
Multiply by 36%	x .36
Allowable total monthly debt	\$ 945
Other monthly debts	
Car payment	\$ 220
Credit cards	+ 50
Total other monthly debts	\$ 270
Total monthly housing costs	\$ 621
Total other monthly debts	+ 270
Total monthly costs	\$ 891



Home Mortgage Qualifying Example II

Borrower's annual salary	\$ 16,000
Co-borrower's annual salary	+ 14,000
Total gross annual salary	<u>\$ 30,000</u>
Total monthly income (\$30,000 divided by 12)	\$ 2,500
Monthly gross income	\$ 2,500
Multiply by 28%	x .28
Allowable monthly housing costs	<u>\$ 700</u>
Home purchase price	\$ 70,000
Down payment	- 5,000
Mortgage loan amount	<u>\$ 65,000</u>
30-year loan / 7% interest – monthly payment (PI)	\$ 432
Monthly taxes and insurance	+ 160
Total monthly housing costs	<u>\$ 592</u>
Monthly gross income	\$ 2,500
Multiply by 36%	x .36
Allowable total monthly debt	<u>\$ 900</u>
Other monthly debts	
Car payment	\$ 200
Student loan	110
Credit cards	+ 320
Total other monthly debts	<u>\$ 630</u>
Total monthly housing costs	\$ 592
Total other monthly debts	+ 630
Total monthly costs	<u>\$ 1,222</u>



Home Mortgage Qualifying Worksheet

How to use this worksheet: Estimate the purchase price of the home you would like to buy and the down payment you can afford. Complete each entry based upon this assumption and your personal finance situation. If your Monthly Housing Cost (F) is not more than your Allowable Monthly Housing Cost (B), and your Total Monthly Cost (I) is not more than your Allowable Monthly Debt (G), you may be qualified for this mortgage.

Monthly Gross Income

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

Allowable Monthly Housing Cost

Total monthly gross income (A)	\$ _____	
Multiply by 28%	x _____ .28	
Allowable monthly housing cost	\$ _____	(B)

Mortgage Amount

Home purchase price	\$ _____	(C)
Down Payment	- _____	
Mortgage loan amount	\$ _____	(D)

Monthly Taxes and Insurance

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

Monthly Housing Cost

Monthly payment (P&I) on 30-year loan [use chart on page 12 based on (D)]	\$ _____	
Estimated monthly taxes and insurance (E)	+ _____	
Condo or homeowner's fee (if applicable)	+ _____	
Total monthly housing cost	\$ _____	(F)

Allowable Monthly Debt

Total monthly gross income (A)	\$ _____	
Multiply by 36%	x _____ .36	
Allowable total monthly debt	\$ _____	(G)

Other Monthly Debt Payments

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

Total Monthly Cost

Total monthly housing Cost (F)	\$ _____	
Total other monthly Debt (H)	+ _____	
Total monthly cost	\$ _____	(I)