

Calculating DTI to determine Budget

Use this worksheet to determine your housing budget. Once you know your budget, we can figure out a loan amount

Add your Monthly Debts

- 1 _____
- 2 _____
- 3 _____
- 4 _____
- 5 _____
- 6 _____
- 7 _____
- 8 _____

Total

Calculate your Monthly wages:

Hourly rate _____ x 40 = \$ _____ Weekly

Weekly pay _____ x 52 = \$ _____ Yearly

Yearly pay \$ _____ / 12 = \$ _____ Monthly (m)

Monthly income \$ _____ Monthly X 48% (allowable DTI) = \$ _____ Maximum allowable debt (a)

Subtract your current Monthly Debt From your Maximum Allowable Debt

Maximum Allowable Debt \$ _____ - Current debt \$ _____ = Monthly Housing Budget \$ _____

Once you know your maximum budget, you can figure out how much loan you can qualify for. Don't forget taxes, insurance and home owners' association costs. Add your estimated mortgage cost to your debts, if the number is less than your maximum allowable debt, the loan amount would be acceptable

Current mortgages at 7.0% are \$6.65 per month for every \$1000 borrowed

For Example: \$200,000 mortgage = \$6.65 X 200 = \$1330 for mortgage

\$ _____ Debts

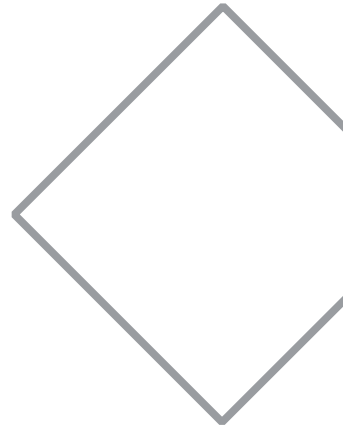
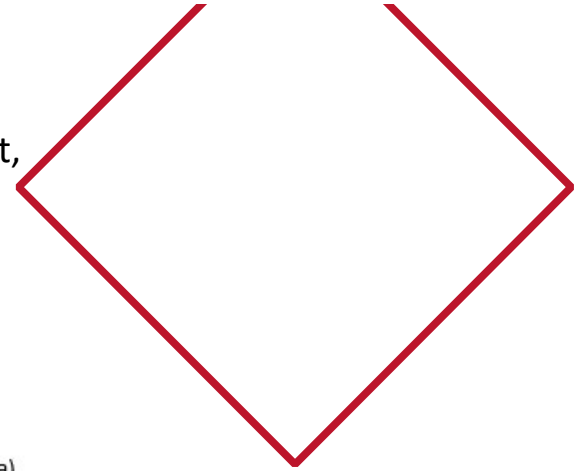
+ \$ _____ Proposed Mortgage, taxes and Insurance

= \$ _____ New total monthly Debt

Property taxes = .8% of purchase price (estimated) Approximately \$150 a month

Insurance = \$150 a month (estimated)

\$ _____ New Total monthly debt needs to be less than \$ _____ Total allowable debt (48% income)



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