



HOW MUCH CAN I AFFORD TO PAY FOR A MONTHLY PAYMENT?

1.

What is your GROSS HOUSEHOLD'S TOTAL monthly income? \$_____A
Be sure to include any income received by Social Security, Child Support, Pension, Retirement, etc.
Be sure to include income received by ALL household members.

2.

What are the household's monthly debts? Do not include utility bills, insurance payments, etc.

Car Payment:_____ Other:_____

Child Support Payment:_____ Child Care Payments:_____

Student Loan Payment:_____ Credit Card Payment:_____

TOTAL OF ALL MONTHLY PAYMENTS: \$_____B

3.

Front-end Ratio. This is 34 percent of your gross household income
\$_____ X 34% = \$_____ C. This is your front-end ratio.
Write in value from Line A. end ratio.

4.

Back-end Ratio. This is 42 percent of your gross household income less your household debts.

\$_____ X 42% = \$_____ D
Write in value from Line A

\$_____ Minus _____ = \$_____ E
Write in value from Line D Write in value from Line B

5.

Income Available for a Monthly House Payment:

Compare values from Lines C and E: C = _____ E = _____

The lowest number when comparing Lines C and E is your MAXIMUM allowable TOTAL (PITI) House Payment.

Community Housing's Housing Counselors will calculate what home purchase price you should be looking for based on the calculations above.

This is why you must be as specific and accurate as possible with all of your income and debts.