

# WHAT CAN YOU AFFORD?

Realistically assessing your finances up front will streamline the home finding process.

## Step 1 Monthly Income

Wages, salaries, business income after expenses \_\_\_\_\_

Interest, dividends or rental income \_\_\_\_\_

Other income (alimony, child support, pensions, or Social Security) \_\_\_\_\_

**Total Monthly Income (Step 1) \$** \_\_\_\_\_

## Step 2 Monthly Non-Housing Expenses

Food/clothing \_\_\_\_\_

Medical (include insurance premiums and prescriptions) \_\_\_\_\_

Life insurance \_\_\_\_\_

Child care \_\_\_\_\_

Automobile expenses (loan, insurance, maintenance) \_\_\_\_\_

Education/student loans \_\_\_\_\_

Travel/recreation \_\_\_\_\_

Monthly credit card payments \_\_\_\_\_

Monthly bank loan payments (other than a mortgage) \_\_\_\_\_

Alimony or child support you owe \_\_\_\_\_

Savings and investments \_\_\_\_\_

Income taxes \_\_\_\_\_

**Total Monthly Non-Housing Expenses (Step 2) \$** \_\_\_\_\_

## Step 3 Amount Available for Monthly Housing Expenses

Total Monthly Income (Step 1) \_\_\_\_\_

minus Total Non-Housing Expenses (Step 2) \_\_\_\_\_

**Equals Amount Available for Monthly Housing Expenses (Step 3) \$** \_\_\_\_\_

## Step 4 Monthly Estimated Housing Expense

Mortgage loan payment (principal and interest—see chart) \_\_\_\_\_

Property taxes \_\_\_\_\_

Mortgage insurance \_\_\_\_\_

Homeowner's insurance (liability, flood, fire) \_\_\_\_\_

Utilities (heat, water, electricity, gas, trash removal) \_\_\_\_\_

Maintenance and repairs \_\_\_\_\_

Other (assessments, homeowners association dues) \_\_\_\_\_

**Total Monthly Estimated Housing Expenses (Step 4) \$** \_\_\_\_\_

Compare Step 3 and Step 4 totals. The Total Monthly Estimated Housing Expenses (Step 4) should not exceed the Amount Available for Monthly Estimated Housing Expenses (Step 3).