|  |  |
| --- | --- |
|  |  |

**Client Name Address**

**MORTGAGE AFFORDABILITY CALCULATION**

**HOUSE PAYMENT RATIO**

**(Principal, Interest, Taxes, Household Insurance, Mortgage Insurance, Condo Fees)**

|  |  |
| --- | --- |
| **TOTAL GROSS MONTHLY HOUSEHOLD INCOME** | **$** |
| **% OF GROSS INCOME AVAILABLE FOR HOUSE PAYMENT** | **X .30** |
| **MAXIMUM AVAILABLE FOR MONTHLY HOUSE PAYMENT (PITI) (1)** |  |

**TOTAL DEBT RATIO**

**(House Payment plus all other debt payment such as credit card and auto loan payments)**

|  |  |
| --- | --- |
| **TOTAL GROSS MONTHLY HOUSEHOLD INCOME** | **$** |
| **% OF GROSS INCOME AVAILABLE FOR TOTAL DEBT PAYMENT** | **X .40** |
| **MAXIMUM AVAILABLE FOR MONTHLY DEBT PAYMENT INCLUDING HOUSE PAYMENT (PITI)** |  |
| **SUBTRACT MONTHLY DEBT PAYMENTS (credit cards, auto loans, unsecured loans, etc.)** | **-** |
| **MAXIMUM AVAILABLE FOR MONTHLY HOUSE PAYMENT (PITI) (2)** | **$** |

**MAXIMUM LOAN PAYMENT**

|  |  |
| --- | --- |
| **CHOOSE THE LOWER OF (1) OR (2) / HOUSE PAYMENT (PITI) (3)** | **$** |
| **% OF HOUSE PAYMENT AVAILABLE FOR MONTHLY MORTGAGE LOAN PAYMENT** | **X .75** |
| **MAXIMUM MONTHLY LOAN PAYMENT (P&I) (1)** |  |

**Divide the MAXIMUM AMOUNT FOR LOAN PAYMENT (P&I) (4) by the factor in the chart below that represents the current home loan interest rate.**

|  |  |  |  |
| --- | --- | --- | --- |
| **INTEREST RATE** | **30 YEAR P&I FACTOR** | **INTEREST RATE** | **30 YEAR P&I FACTOR** |
| **2.0** | **.00370** | **6.0** | **.00600** |
| **2.5** | **.00395** | **6.5** | **.00632** |
| **3.0** | **.00422** | **7.0** | **.00665** |
| **3.5** | **.00449** | **7.5** | **.00699** |
| **4.0** | **.00477** | **8.0** | **.00734** |
| **4.5** | **.00507** | **8.5** | **.00769** |
| **5.0** | **.00537** | **9.0** | **.00805** |
| **5.5** | **.00568** | **9.5** | **.00841** |

|  |  |  |
| --- | --- | --- |
| **MAXIMUM MONTHLY LOAN PAYMENT** | **P&I FACTOR**  **(Divided By)** | **MAXIMUM LOAN AMOUNT** |
| **$** | **/ .** | **$** |

|  |  |
| --- | --- |
|  |  |

**Staff Name Date Completed**