When beginning the search for a new home, many people are unaware of how much they can afford. That’s why it is a good idea to talk to your lender immediately so they can tell you how much you might be qualified to borrow and work with you to determine your ideal monthly payment.

For a quick estimate of how much you may be able to afford, complete the following worksheet.

**GROSS MONTHLY INCOME**

Borrower $______________________

Co-Borrower $______________________

**TOTAL INCOME** $______________________

**MINIMUM MONTHLY DEBT**

Car Lease(s) or Loan(s) $______________________

Personal Installment Loan(s) $______________________

School Loan(s) $______________________

Payroll/401k Loan Payment(s) $______________________

Credit Card(s) $______________________

Other (Child Support, Alimony) $______________________

**TOTAL DEBT** $______________________

**TO CALCULATE MONTHLY HOUSE PAYMENT***:

A) Total gross monthly income x .43* $______________________

B) Total minimum monthly debt $______________________

C) Subtract line B from line A $______________________

This amount equals the maximum monthly house payment, including taxes and insurance, for which you may be qualified.

*This Qualifying Ratio can be higher with compensation factors such as high credit scores or good cash reserves. Information from www.myfico.com.

For more information on how SWBC Mortgage can help you on your path to homeownership, visit us at www.swbcmortgage.com or call us at 1-800-460-6990.