

How much home can you afford?

**Payment factor table
(30 year fixed-rate loan)**

Interest Rate	Factor
6.00%	6.00
6.25%	6.16
6.50%	6.32
6.75%	6.49
7.00%	6.65
7.25%	6.82
7.50%	6.99
7.75%	7.16
8.00%	7.34
8.25%	7.51
8.50%	7.69
8.75%	7.87
9.00%	8.05
9.25%	8.23
9.50%	8.41
9.75%	8.59
10.00%	8.78
10.25%	8.96
10.50%	9.15
10.75%	9.33
11.00%	9.52
11.25%	9.71
11.50%	9.90
11.75%	10.09
12.00%	10.29
12.25%	10.48
12.50%	10.67
12.75%	10.87
13.00%	11.06
13.25%	11.26

Use this worksheet to calculate how much you can afford to spend on a home before you begin shopping. You can also ask your Bank of America mortgage professional about getting a pre-approved loan. It can help you shop with confidence and boost your bargaining power with sellers.

Gross income (before taxes) each year..... = \$ _____ (A)
(for self and any co-borrowers)

Enter your gross monthly income..... (A ÷ 12) = \$ _____ (B)

Calculate maximum mortgage payment¹..... (B x 0.33) = \$ _____ (C)

Calculate maximum debt payment¹..... (B x 0.38) = \$ _____ (D)

Enter total monthly debt payment..... \$ _____ (E)
(credit cards, car payment, child support, alimony, etc.)

Calculate monthly mortgage payment²..... (D - E) = \$ _____ (F)

Your maximum monthly mortgage payment..... \$ _____ (G)
(enter the lower of C or F)

Monthly estimate of taxes, homeowners insurance and mortgage insurance³..... (A x 0.0053) = \$ _____ (H)

Monthly estimate of homeowner association dues \$ _____ (I)
(condominiums only)⁴

Calculate your estimated maximum mortgage payment² (G - H - I) = \$ _____ (J)

Calculate your estimated maximum loan amount:
 _____ ÷ _____ x 1,000 = \$ _____ (K)
(enter J) (payment factor)⁵

Enter total cash available for home purchase..... \$ _____ (L)

Calculate closing costs⁶..... (K x 0.05) = \$ _____ (M)

Calculate cash available for down payment..... (L - M) = \$ _____ (N)

Calculate your maximum home purchase price (K + N) = \$ _____ (O)

¹These percentages are used as industry standards. Percentages may vary according to type of mortgage chosen.
²Monthly mortgage payment includes principal, interest, taxes, mortgage and hazard insurance.
³Assumes a 5% down payment.
⁴In some cases, homeowner association dues may also be applicable on single family homes. Ask your mortgage professional for details.
⁵Use the *Payment factor table* above to find the interest rate you expect to pay on a 30-year fixed-rate loan. Enter the factor next to this interest rate.
⁶Closing costs can vary; we suggest using 5% for estimates in major metropolitan areas; other areas can use 3%.

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⁴In some cases, homeowner association dues may also be applicable on single family homes. Ask your mortgage professional for details.

⁵Use the *Payment factor table* above to find the interest rate you expect to pay on a 30-year fixed-rate loan. Enter the factor next to this interest rate.

⁶Closing costs can vary; we suggest using 5% for estimates in major metropolitan areas; other areas can use 3%.