

Findlay Real Estate - Pre-Qualify Form

What Can You Afford?

(Printable PDF version)

In addition to having the cash for the down payment, closing costs and good credit history, the mortgage lender will want your house payment and other debts to conform to accepted qualifying ratios. While 28% / 36% are the most common, some loan ratios differ.

	Column A	Column B
Annual income before taxes (gross)	\$ _____	
Divide by number of months	(/)12	
Monthly gross income	= _____	= _____
more than 28% of your monthly gross income on housing expense: (column B)		x .28
Maximum monthly housing expense allowance (column B)		= _____
Many lenders allow 36% of monthly gross income for long-term debt:	x .36	
Long-term monthly expense allowance	= _____	
Figure out your monthly long-term obligations below, and subtract it from the allowance:		
a: child support	\$ _____	
b: auto loans	+ _____	
c: credit cards	+ _____	
d: association fees	+ _____	
e: other	+ _____	
Total Long-term obligations	= _____	
Monthly housing expense allowance:	= _____	

Record the smaller figure in
Column A or B:

\$ _____

Estimating about 20% for
taxes and insurance, leaving
80% for payment of mortgage
(principal & interest)

x .80

Allowable monthly principal
& interest expense:

+ _____

Divide by MONTHLY
PAYMENT PER
THOUSAND DOLLARS
from table

(/)

= _____

Multiply by 1000

x 1000

Estimated Affordable
Mortgage Amount

\$ _____

Rate	15 yr.	30 yr.	Rate	15 yr.	30 yr.	Rate	15 yr.	30 yr.
6.0%	8.44	6.16	7.75%	9.41	7.16	9.5%	10.44	8.41
6.25%	8.58	6.16	8.0%	9.56	7.34	9.75%	10.60	8.60
6.5%	8.72	6.33	8.25%	9.70	7.51	10.0%	10.75	8.78
6.75%	8.85	6.49	8.5%	9.85	7.69	10.25%	10.91	8.97
7.0%	8.99	6.65	8.75%	9.99	7.87	10.5%	11.06	9.15
7.25%	9.13	6.82	9.0%	10.14	8.05	10.75%	11.22	9.34