

Home Buyer's Financial Worksheet

Every buyer's situation is unique. In almost every scenario, proper planning ensures a pleasant experience of owning a home.

This worksheet is designed to help you answer two important questions:

- How much you should save to prepare for home buying.
- How much you can afford to spend on home purchase.

The section on saving is intended for first-time buyers to get an idea of what it will take to save for a down payment and closing costs. Calculating your savings goals is very important.

IMPORTANT NOTE: *This worksheet will only give you an idea of what you can afford. You must consult a mortgage lender afterwards to get a more precise estimate.*

I. Determining the Amount You Should Save

Monthly income

What is your monthly take-home pay? \$ _____

What is your spouse's or partner's monthly take-home pay? \$ _____

How much money do you receive each month from other sources? \$ _____

How much have you and your spouse or partner saved already? \$ _____

TOTAL: \$ _____

Monthly bills and expenses

Do you have spousal or child support obligations? What are they? \$ _____

How much is your monthly rent? \$ _____

What is your monthly car payment(s)? \$ _____

What is your current student loan payment(s)? \$ _____

What is your total monthly payment for all your credit cards? \$ _____

How much do you currently spend each month for

Electricity \$ _____

Gas (your heating/cooling bill) \$ _____

Telephone service	\$ _____
Cable/satellite service	\$ _____
Water and sewer service	\$ _____
Renter's insurance (divide the yearly premium by twelve)	\$ _____
Groceries and household supplies	\$ _____
Clothing	\$ _____
Health club dues	\$ _____
Other fees or dues	\$ _____
Fuel and repairs for your car	\$ _____
Books, movies, video rentals, dining out, etc.	\$ _____
The lottery and other incidental purchases	\$ _____
TOTAL:	\$ _____

Calculate your leftover cash

Enter your total monthly income from the calculation above	\$ _____
Enter your total monthly payments and spending calculated above	\$ _____
Subtract the second figure from the first	\$ _____
TOTAL:	\$ _____

With your current spending habits, the total is the amount you could be saving each month.

The above chart shows the difference between your monthly income and lifestyle expenses before factoring in the expenses from a home purchase. By understanding your budget and the amount you have left over after paying for your lifestyle expenses, you can see how the monthly payments associated with the purchase of a home will impact this budget in [Understanding the Bottom Line](#)

How much money did you determine you could borrow? \$_____

Estimate closing costs by multiplying your estimated loan by first 3% and then by 6%, this will give you a rough idea of how much it will cost to complete your purchase.

\$_____ x 0.03 = \$_____
\$_____ x 0.06 = \$_____

Mortgage lenders frequently charge a "loan origination fee," to pay for their service to you. The fee may be taken as a percentage of the loan. To estimate this fee, multiply the amount you'd like to borrow by 7% and 10%.

\$_____ x 0.07 = \$_____
\$_____ x 0.10 = \$_____

Different kinds of mortgages require different down payments. The more money you have to put down, the more advantageous terms you can get for your mortgage contract. Lenders are very willing to sell you a mortgage with a low down payment, too. To get an idea of what your down payment might be multiply the amount you'd like to borrow by 5%, 10% and 20%.

\$_____ x 0.05 = \$_____
\$_____ x 0.10 = \$_____
\$_____ x 0.20 = \$_____

CALCULATE HOW MUCH MONEY YOU HAVE TO SAVE

For a 5% down payment you will need to save between the following amounts.

Five percent down payment (enter it twice) \$_____ \$_____

Low and high estimates of closing costs \$_____ \$_____

Low

High

Low and high estimates of loan origination fees \$_____ \$_____

Low

High

TOTALS: \$_____ \$_____

Low

High

Low and high estimates of closing costs \$_____ \$_____

	Low	High
Low and high estimates of loan origination fees	\$ _____	\$ _____
	Low	High
TOTALS:	\$ _____	\$ _____

For 10% down you will need to save between the following amounts.

Ten percent down payment (enter it twice)	\$ _____	\$ _____
	Low	High

If you'd like to pay 20% down (which will give you the most attractive terms), you will need to save between the following amounts.

Twenty percent down payment (enter twice)	\$ _____	\$ _____
Low and high estimates of closing costs	\$ _____	\$ _____
	Low	High
Low and high estimates of loan origination fees	\$ _____	\$ _____
	Low	High
TOTALS:	\$ _____	\$ _____
	Low	High

II. Determining the Amount You Can Spend

How much money do you make each month before taxes?	\$ _____
How much money does your spouse or partner make each month?	\$ _____
Add these two numbers together. TOTAL:	\$ _____

The total is your "*gross monthly income*."

How much do you currently pay each month for

Rent/Mortgage	\$ _____
Electricity	\$ _____
Gas (your heating/cooling bill)	\$ _____
Telephone service	\$ _____
Cable/satellite service	\$ _____
Water and sewer service	\$ _____
Renter's or homeowner's insurance	\$ _____
Property taxes	\$ _____
Add these numbers together TOTAL:	\$ _____

The total is your "*monthly housing cost*"

TIP: You should calculate your total housing cost again after you decide where you would like to live and have investigated typical property taxes and homeowners' insurance for that area. Your real estate agent can help you find this information. Multiply your gross monthly income by 28% (0.28).

_____ x 0.28 = \$ _____

This figure is called your "*housing expense ratio*"

What do you pay each month for the following items?

Car loans or leases	\$ _____
Student loans	\$ _____
Credit-card balances	\$ _____
Other monthly debt payments	\$ _____
Add these numbers together TOTAL:	\$ _____
Now add the monthly housing cost you calculated already	\$ _____

TOTAL: \$ _____

This figure may be referred to as your "*total monthly debt*."

Multiply your total monthly debt by 36% (0.36).

_____ x 0.36 = \$ _____

This figure is called your "*total debt-to-income ratio*."

The lender will use these ratios to figure out what it thinks you can afford to pay each month and to calculate what dollar amount it will lend you.

The total dollar amount will depend on the size of your down payment, what kind of mortgage you qualify for, and other factors.

For a *very rough* idea of the total dollar amount, multiply each ratio by twelve and then by the number of years you will be paying the mortgage. Thirty years is most typical, though some mortgages have a ten to fifteen year term.

NOTE: *This very rough idea does not include any consideration of the interest you will be paying. Once you have a rough idea, talk to a mortgage lender for a better estimate of how much you'll be able to borrow.*