Maximum loan amount worksheet

Housing expense ratio (1)

Enter: Total gross monthly income (pre-tax) — $

X 28%: Often referred to as the "front-end ratio", keeping your monthly mortgage payment under 28% of your total gross monthly income is typical. — X .28

Equals: Maximum allowable for mortgage payment (PITI) — $ 0.00 (1)

Total debt ratio (2)

Enter: Total gross monthly income (pre-tax) $ — $

X 43% — X .43

Equals: Maximum allowable for mortgage payment (PITI) before other debt — $ 0.00

Minus total monthly debt payment* — $

Equals: Maximum allowable for mortgage payment (PITI) — $ 0.00 (2)

Lesser of 1 or 2 — $ 0.00 (3)

Figure (3) is an estimate of your maximum allowable mortgage payment (PITI), given your current gross monthly income and debts.

Multiply **Figure (3)** by 80% to estimate the portion of PITI that represents your principal and interest (P&I) payment only — X .8

Equals: Monthly allowable for P&I payment only — $ 0.00 (4)

Divide **Figure (4)** by the factor in the chart below that most closely represents today's interest rate environment.

P&I divided by 30-year P&I factor = maximum loan amount

$ 0.00 ÷ ______ = $ 0.00 This is your estimated maximum loan amount.

Figure (4) — 30-year P&I factor

Interest rate	30-year P&I factor	Interest rate	30-year P&I factor
4.00%	.004774	6.50%	.006321
4.50%	.005067	7.00%	.006653
5.00%	.005368	7.50%	.006992
5.50%	.005678	8.00%	.007338
6.00%	.005995	8.50%	.007689

*This is the total monthly amount that you pay toward all revolving and installment debt loans, including car payments, credit card payments, and bank loans.