Comparing Down Payment Percentages Worksheet

1. What is your yearly income?
   $_____

2. What is your net monthly income? This is your "take home pay."

   Gross Monthly Income - Taxes & Payroll Deductions = Net Monthly Income

   $_____

3. Find 35% of your net monthly income value that you calculated in question 2.

   Net Monthly Income × 0.35 = $_____

   *This is the absolute maximum that you should spend on total housing costs per month.

4. Take the value found in question 3 and subtract your monthly (or estimated monthly) utility costs.

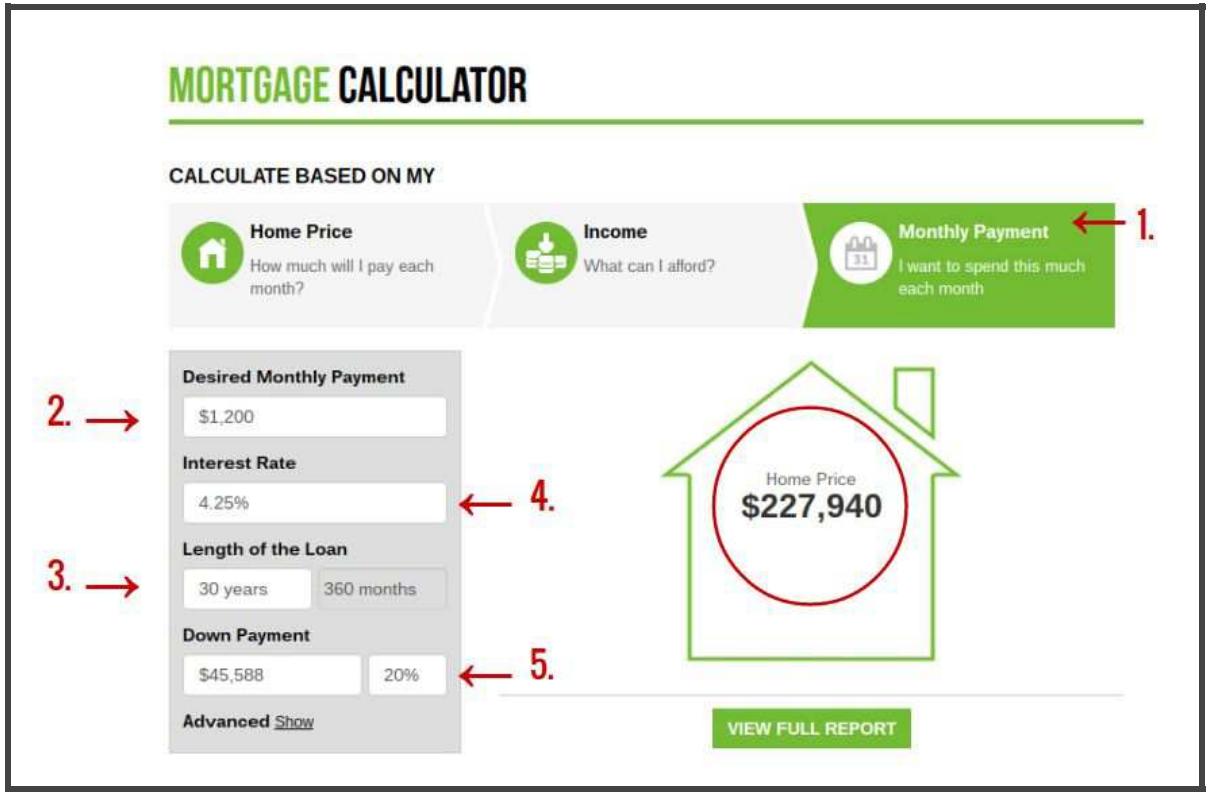
   35% of Net Monthly Income $_____ - Total Monthly Utilities $_____ = $_____

   *This is the maximum amount that you can afford to pay towards your monthly mortgage, property

taxes, and home insurance combined.

5. Go to http://themortgagereports.com/mortgage-calculator and use the Online Mortgage Calculator to find the maximum purchase price that you can afford to pay for a home based on your income and the value you found in question 4.

    1. **Choose "Monthly Payment"**
    2. **Enter the value from question 4 in the "Desired Monthly Payment" box**
    3. **Choose the length of your mortgage (the default option is 30 years)**
    4. **Choose the corresponding interest rate (this will depend on the lender and location, so you may adjust but the default rate for 30 years is 4.25%)**
    5. **Select your down payment percentage**



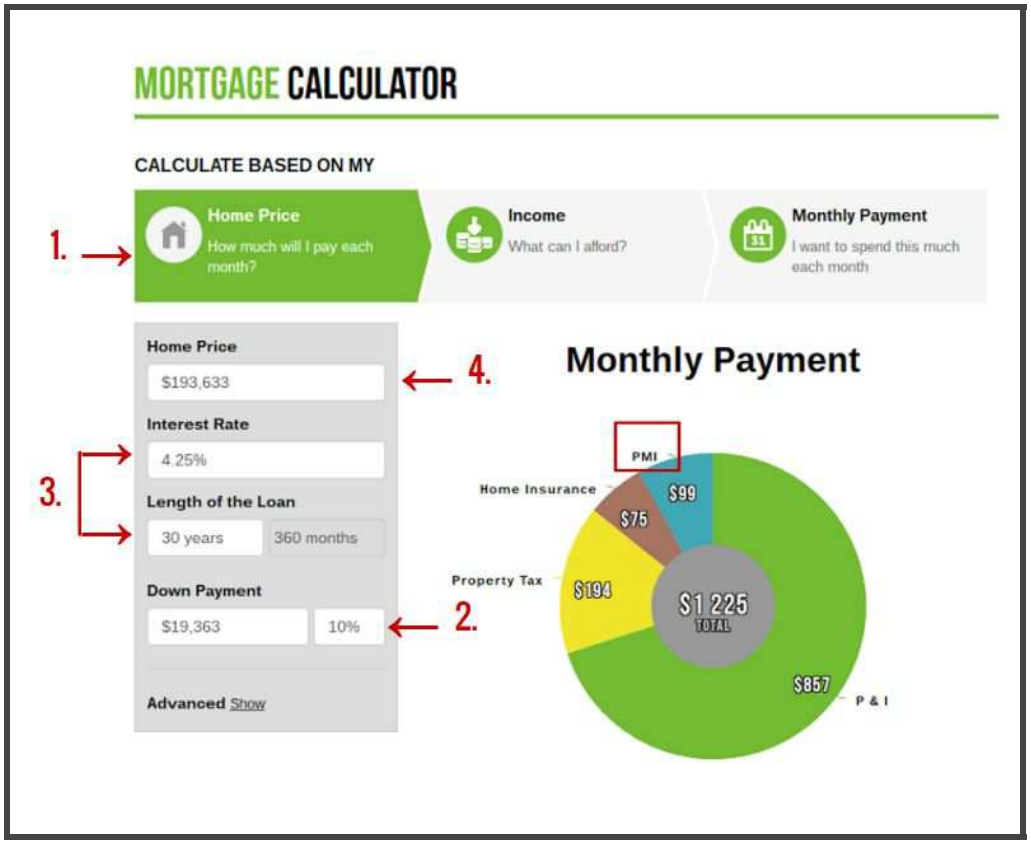
*This will calculate the **maximum purchase price** (Home Price) that you can afford for the given metrics. Adjusting your down payment percentage, interest rate, or length of the loan will change the maximum purchase price for you so you can see what you can afford for every different situation.

6. Use the online mortgage calculator to compare how different down payment percentages will affect your maximum purchase price.

%	Down Payment	Maximum Purchase Price (Home Price)
5% Down Payment	$	$
10% Down Payment	$	$
15% Down Payment	$	$
20% Down Payment	$	$

7. Use the online mortgage calculator and maximum purchase price values you found in the table in question 6 and use them to estimate PMI (private mortgage insurance rates) for each maximum purchase price.

1. Choose “Home Price”
2. Select the down payment percentage
3. Adjust the interest rate and loan length if applicable
4. Enter the “Home Price” that corresponds to each down payment percentage you entered in the table in question 6



8. Compare the monthly payments vs maximum purchase price (home price) for each down payment percentage.

%	Down Payment	Maximum Purchase Price (Home Price)	Monthly Mortgage Payments (including PMI if applicable)
5% Down Payment	$	$	$
10% Down Payment	$	$	$
15% Down Payment	$	$	$
20% Down Payment	$	$	$

Use this chart the select the down payment percentage and amount that best aligns with your needs and goals as a prospective home owner.

9. Take a look at your budget and your net monthly income from question 2. How much do you plan to contribute to your down payment savings per month?

Monthly Contribution: **$**_____

10. Take your chosen down payment amount and divide it by your monthly contribution. This will calculate how long it will take you to reach your savings goal.

Down Payment **$**_____ ÷ Monthly Contribution **$**_____ **=** Months To Reach Goal _____