



MONTHLY PAYMENT WORKSHEET

Define what is affordable for you.

Only you can decide how much you feel comfortable spending on a home. This worksheet will help you plan for the future and calculate a monthly payment that is affordable to you.

This worksheet is designed for first-time home buyers.

Assess your current income, spending, and savings.

1 Monthly income

PRE-TAX INCOME

Your income: _____

Co-borrower's income: _____

Total monthly pre-tax income: _____

TAKE-HOME INCOME

Your income: _____

Co-borrower's income: _____

Total monthly take-home income: _____

2 Monthly spending and savings

Rent: _____

Utilities: _____

Electricity, gas, water, phone, internet, etc.

Debt payments: _____

Student loans, car loans, credit card debt, etc.

Living & other expenses: _____

Groceries, transportation, child care, child support, eating out, health, entertainment, etc.

Savings: _____

Amount you put away each month from your take-home income.

Total monthly spending and savings: _____

Your total monthly spending and savings should be no more than your total monthly take-home income.



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Learn more at consumerfinance.gov/owning-a-home

Estimate your financial responsibilities after buying a home.

3 New homeownership expenses

There are more costs to being a homeowner than just the monthly mortgage payment. Estimate these homeownership expenses on a monthly basis.

Home maintenance: _____

A common rule of thumb is 1% of your target home price (divide by 12 to get a monthly amount).

Home improvement: _____

This is up to you. What kinds of improvements do you plan to make? How much do you want to set aside monthly?

Condo/HOA fees: _____

These fees can vary widely depending on the specific building or HOA. Explore listings in your target neighborhoods to make an estimate.

Total new homeownership expenses: _____

4 Changed monthly expenses

Estimate the total monthly utilities you will pay as a homeowner. If some of your utilities are included in your rent now, you'll likely have to pay for them separately as a homeowner. Utilities may also increase with a larger home.

Utilities: _____

Wondering where we got some of these numbers? [Check out our sources.](#)



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5 Future monthly savings goals

Your savings goals as a homeowner may be different than your current goals. Enter the amount you want to put away each month from your take-home income.

Emergency savings: _____

A good rule of thumb is to have at least 3-6 months of expenses saved.

Long-term savings: _____

Savings for retirement, kids' college, vacations, or other goals.

Total future monthly savings goals: _____

6 Property taxes and homeowner's insurance

Property taxes and homeowner's insurance are an important part of your monthly payment. Update these assumptions as you move forward to more precisely estimate your affordable monthly payment.

Home value: _____

Property taxes are based on the assessed value of a home, which may be different from the home price. But, the typical home price in your target neighborhood is a good rough estimate.

Property tax rate (annual): _____

The national median is 1.1%, but rates vary widely by location. Check with your local tax authority for a more precise estimate.

Homeowner's insurance (annual): _____

The national median is \$750, but rates vary by location, the value and features of your home, and the coverage that you select.

How much can you afford?

6 Your homeownership budget

This budget is based on your monthly income and estimated expenses.

Total monthly housing obligations: _____

Home maintenance and improvement: _____

Utilities: _____

Debts: _____

Living expenses: _____

Savings: _____

Total monthly budget: _____

Breakdown of your total monthly housing obligations

Total monthly housing obligations: _____

— Condo/HOA fees: _____

Estimated monthly payment:* _____

— Monthly taxes and insurance: _____

Monthly principal & interest: _____

7 Check your percentage

Total monthly housing obligations: _____

Percentage of your pre-tax income: _____

A mortgage lending rule of thumb is that your total monthly housing obligations should be no more than 28% of your pre-tax income. Lenders may approve you for more or less depending on your overall financial picture.

8 Next steps

Knowing your affordable monthly payment is the first step to deciding how much you want to spend on a home. Next:

[Determine your down payment](#)

[Estimate your affordable home price](#)

* This worksheet assumes you are able to put down 20% of your home's purchase price. If you put down less than 20%, you will likely have to pay for mortgage insurance, which will increase your monthly payment. [Learn more.](#)