



Home Affordability Worksheet

This worksheet helps you estimate the price range of homes you can afford based on your income, savings, and debt. Use it as a guide before getting pre-approved for a mortgage.

Step 1: Determine Monthly Income

- _____ • Gross Monthly Income (Pre-Tax)
- _____ • Partner's Income (if applicable)
- _____ • Additional Income (bonuses, secondary employment, etc.)
- _____ • Total Monthly Income

Step 2: Calculate Monthly Debt Obligations

- _____ • Credit Card Obligations
- _____ • Auto Financing
- _____ • Educational Loans
- _____ • Additional Loan Commitments
- _____ • Total Monthly Debt

Step 3: Establish a Realistic Monthly Housing Budget

- _____ • 28% Guideline: Housing expenses should not exceed 28% of gross monthly income.
- _____ • 36% Guideline: The total of all debts plus housing expenses should not exceed 36% of gross monthly income.
- _____ • Housing Budget: Allocated at 28% of gross monthly income.
- _____ • Maximum Combined Debt: Capped at 36% of gross monthly income.

Step 4: Assess Available Cash Resources

- _____ • Funds Available for Down Payment
- _____ • Estimated Closing Costs (2–5%)
- _____ • Estimated Moving and Setup Expenses

Step 5: Determine the Affordable Price Range

Use online mortgage calculators with your monthly budget and down payment.

- _____ • Estimated Affordable Home Price
- _____ • Estimated Monthly Mortgage Payment
- _____ • Estimated Affordable Home Price
- _____ • Estimated Monthly Mortgage Payment

Final Recommendations

- Ensure you allocate funds for property taxes, insurance, and homeowners association (HOA) fees.
- Consult with a mortgage lender to obtain a pre-approval.
- Please review and update this worksheet should there be any changes in your financial circumstances.