



Does Your Monthly Budget Have Room for a Mortgage?

Use this worksheet to give you an indication of your financial health when including a monthly mortgage payment and typical homeowner expenses. This worksheet will help you understand your total debt-to-income (DTI) ratio, which compares your earnings against monthly expense obligations. Mortgage lenders consider DTI ratio when determining the home loan amount you are eligible for and whether or not you already carry too much debt for a new loan.

- Your total housing expense, including taxes and insurance, should not exceed 31% of your gross income
- Keep your debt at 43% or less of your gross monthly income to show lenders you can control your overall spending

If your monthly budget results in a negative sum, then you should take the time to re-evaluate your spending habits, debt and home financing budget. NOTE: See other pages for Tips for First Time Homebuyers.

| GROSS MONTHLY INCOME (pre-tax) | |
|--------------------------------|--|
| Earners #1 | |
| Earners #2 | |
| Child Support (you receive) | |
| Other Income | |
| Total | |

| NET MONTHLY INCOME (take home pay) | |
|------------------------------------|--|
| Earners #1 | |
| Earners #2 | |
| Child Support (you receive) | |
| Other Income | |
| Total | |

| MONTHLY HOUSING EXPENSES (use proposed amounts if buying) | |
|--|--|
| Mortgage Payment | |
| Property Taxes | |
| Home Owners Insurance | |
| Home Owners Association Dues | |
| Total | |
| Percent of Income | |

| ADDITIONAL MONTHLY EXPENSES | |
|-----------------------------------|--|
| Phone/Cable/Internet | |
| Gas/Electric | |
| Water | |
| Cell Phone | |
| Groceries | |
| Dining/Take-Out | |
| Gas (Car) | |
| Car Maintenance | |
| Auto Insurance | |
| Health/Medical Insurance | |
| Life Insurance | |
| Medical/Dental/Vision* | |
| Clothing | |
| Child Care/Tuition | |
| Recreation/Vacation | |
| Entertainment (Movies, etc.) | |
| Personal Expenses (hobbies, etc.) | |
| Charitable Donations/Gifts | |
| Misc. | |
| Total | |
| Total Debt & Expenses | |

| DEBTS (monthly payments) | |
|---------------------------------|--|
| Proposed Housing Expense | |
| Car Payment/Lease | |
| Child Support (you pay) | |
| Student Loan(s) | |
| Credit Card (s) | |
| Home Equity Loan/Line of Credit | |
| Other Real Estate Owned | |
| Other (includ. co-signed loans) | |
| Total | |
| Debt to Income Ratio | |

*Not covered by insurance

| CURRENT BUDGET OUTLOOK | |
|------------------------|--|
| Total Income | |
| Total Debt Expenses | |
| Difference | |

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