



*So what can I afford? And what will a bank lend me?*

**Banking Secrets Revealed:** This is a simplified but accurate formula for how the banks calculate your pre-qualified loan amounts.

\$ \_\_\_\_\_ Gross monthly income (before taxes) Combined income  
(for hourly wages use hr pay x 40 x 4.3 weeks per month). Do Not Include Overtime.

\$ Multiply x (.36-.40) \_\_\_\_\_ This is the percent of income banks will lend.

\$ \_\_\_\_\_ Loan-able payment amount before debt.

Debt: any large dollar amount paid in monthly increments such as car loans, bank loans or credit card balances. \* Payments such as power bills or cable are not debt.

Subtract these amounts from your monthly loan-able amount

\$ \_\_\_\_\_ Car # 1  
\$ \_\_\_\_\_ Car # 2  
\$ \_\_\_\_\_ Bank Loan # 1  
\$ \_\_\_\_\_ Bank Loan # 2  
\$ \_\_\_\_\_ Credit Card # 1  
\$ \_\_\_\_\_ Credit Card # 2  
\$ \_\_\_\_\_ Credit Card # 3  
\$ \_\_\_\_\_ Credit Card # 4  
\$ \_\_\_\_\_ Other  
\$ \_\_\_\_\_ Other

\$ \_\_\_\_\_ Balance- this is the amount of payment you can be loaned.

\$ \_\_\_\_\_ Subtract- monthly tax and insurance escrow amount

\$ \_\_\_\_\_ Monthly Mortgage amount-

This is a starting point. Use a mortgage book to look up the interest rate you qualify for and find out what the 30 year loan value for that amount is. If your credit is good, look at the more competitive loan rates. If it is poor, add a couple of percentages to the best interest rates.

\$ \_\_\_\_\_ Loan Value

\$ \_\_\_\_\_ Add Cash down payment

\$ \_\_\_\_\_ This number is the Glass Ceiling for your new Home.

