

# Pre-qualify Worksheet

How much do I want my monthly Mortgage Payments to be?

\$ \_\_\_\_\_

(Consider principle, interest, taxes and insurance to figure approximately how much you can afford.)

Add your total Monthly Obligations

+ \_\_\_\_\_

(Includes credit cards, auto and other loans, alimony, child support, etc.)

(1) = \_\_\_\_\_

Divide (1) by your total Monthly Gross Income

= \_\_\_\_\_

(Gross income is your income before taxes.)

This equals your total Debt-to-Income Ratio

= \_\_\_\_\_

(If your debt-to-income ratio is below 45% [or .45 ], then you qualify for the mortgage payment.)

How much can I afford to borrow? Use this next part to figure the approximate Mortgage Loan Amount you qualify for.

Enter the amount you would like your monthly Mortgage Payments to be (from above)

\$ \_\_\_\_\_

Multiply by 20% [or .20] for your Taxes and Insurance

x 20%

(2) = \_\_\_\_\_

Subtract the amount in (2) from the Mortgage Payment you entered above

— \_\_\_\_\_

This equals your approximate Principle and Interest Payment

= \_\_\_\_\_

Divide by the appropriate 5-digit Interest Factor

= \_\_\_\_\_

(The Interest Factor is based on an interest rate available to you. Use the chart on the right to get this figure.)

Here is the approximate Mortgage Loan Amount you may qualify for

\$ \_\_\_\_\_

Many factors including property value, repayment ability and prior credit history are involved in the mortgage approval process. Therefore, this worksheet is intended only as a guide and not a guarantee that an individual will qualify for a mortgage loan.