

Calculating Your Gross Monthly Income Worksheet

If you are paid hourly

$$\begin{array}{l} \$ \underline{\hspace{2cm}} \times \underline{\hspace{2cm}} \times 52 \text{ weeks} \div 12 \text{ months} = \$ \underline{\hspace{2cm}} \\ \text{(pay before deductions)} \quad \text{(\# of hours you work in 1 week)} \qquad \qquad \qquad \text{(gross monthly income)} \end{array}$$

If you are paid weekly

$$\begin{array}{l} \$ \underline{\hspace{2cm}} \times 52 \text{ weeks} \div 12 \text{ months} = \$ \underline{\hspace{2cm}} \\ \text{(pay before deductions)} \qquad \qquad \qquad \text{(gross monthly income)} \end{array}$$

If you are paid bi-weekly

$$\begin{array}{l} \$ \underline{\hspace{2cm}} \times 26 \div 12 \text{ months} = \$ \underline{\hspace{2cm}} \\ \text{(pay before deductions)} \qquad \qquad \qquad \text{(gross monthly income)} \end{array}$$

If you are paid twice a month

$$\begin{array}{l} \$ \underline{\hspace{2cm}} \times 24 \div 12 \text{ months} = \$ \underline{\hspace{2cm}} \\ \text{(pay before deductions)} \qquad \qquad \qquad \text{(gross monthly income)} \end{array}$$

If you are paid monthly

$$\begin{array}{l} \$ \underline{\hspace{2cm}} \\ \text{(gross monthly income)} \end{array}$$

Calculating Your Gross Monthly Income Worksheet

(continued, page 2 of 2)

If you are not paid regularly

\$ _____ ÷ 12 months =
(income from last
year's tax return
before deductions)

\$ _____
(gross monthly
income)

Other gross monthly income =
(spouse's monthly income, second job,
regular overtime, public assistance, child support,
pension, Social Security, other)

\$ _____

Total Gross Monthly Income =
(Add gross monthly income from all
borrowers to other gross monthly income)

\$ _____

Total Monthly Debt Worksheet

Your Total Monthly Debt Payments

Car Payment \$ _____ (A)

Credit Cards

Card: Monthly Payment

_____ \$ _____

_____ \$ _____

_____ \$ _____

_____ \$ _____

Total monthly debt from credit cards \$ _____ (B)

Loan Payments

Lender: Monthly Payment

_____ \$ _____

_____ \$ _____

_____ \$ _____

_____ \$ _____

Total monthly debt from loans \$ _____ (C)

Total Monthly Debt Worksheet

(continued, page 2 of 2)

Child Care

\$ _____ x 52 ÷ 12 =

(Weekly cost for all children)

\$ _____ (D)

Total Monthly Debt

\$ _____

(A + B + C + D)

Prequalifying Worksheet

Total Gross Monthly Income \$ _____ (1)
(from the "Calculating Your Gross Monthly Income Worksheet")

Total Gross Monthly Income x 28% (.28) \$ _____ (2)
(housing ratio)

Total Gross Monthly Income x 36% (.36) \$ _____ (3)
(debt-to-income ratio)

Total Monthly Debt Payments \$ _____ (4)
(from the "Total Monthly Debt Worksheet")

Subtract line (4) from Line (3) \$ _____ (5)

Maximum Loan Payment Allowed

Enter whichever is less, line (2) or line (5) \$ _____ (6)

Multiply line (6) by 20% (.20) \$ _____ (7)
(estimated taxes and insurance)

Maximum Principal and Interest Payment Allowed

Subtract line (7) from line (6) \$ _____ (8)

Divide line (8) by factor (_____) \$ _____ (9)
(from "Sample Interest Factor Table")

Maximum Loan Amount

Multiply line (9) by \$1,000 \$ _____

Sample Interest Factor Table

Cost for each \$1,000 of a loan

Interest Rate	15-Year Loan	20-Year Loan	30-Year Loan
5.0	\$7.91	\$6.60	\$5.37
5.5	\$8.17	\$6.88	\$5.68
6.0	\$8.44	\$7.16	\$6.00
6.5	\$8.71	\$7.46	\$6.32
7.0	\$8.99	\$7.75	\$6.65
7.5	\$9.27	\$8.06	\$6.99
8.0	\$9.56	\$8.36	\$7.34
8.5	\$9.85	\$8.68	\$7.69
9.0	\$10.14	\$9.00	\$8.05
9.5	\$10.44	\$9.32	\$8.41
10.0	\$10.75	\$9.65	\$8.78
10.5	\$11.05	\$9.98	\$9.15
11.0	\$11.37	\$10.32	\$9.53
11.5	\$11.68	\$10.66	\$9.91
12.0	\$12.00	\$11.01	\$10.29

Example Calculations

Example 1: Using a Factor Table to Determine Monthly Principal and Interest Payments

\$40,000 loan amount for 15 years at 7.0%

$$\mathbf{\$40,000 \div \$1,000 = \$40 \times \$8.99 = \$359.60}$$

Example 2: Using a Factor Table to Calculate Loan Amounts

\$600 monthly principal and interest payment for 15 years at 7.0%

$$\mathbf{\$600 \times \$1,000 \div \$8.99 = \$66,740.82}$$