## **Calculating Your Gross Monthly Income Worksheet**

### If you are paid hourly

\$	_ x	x 52 weeks ÷ 12 months =	\$	
(pay before deductions				(gross monthly income)
lf you are p	aid wee	kly		
\$	_ x 52 w	eeks ÷ 12 months =	\$	
(pay before deductions				(gross monthly income)
lf you are p	oaid bi-w	eekly		
\$	_ x 26 ÷	12 months =	\$	
(pay before deductions				(gross monthly income)
lf you are p	aid twic	e a month		
\$	_ x 24 ÷	12 months =	\$	
(pay before deductions				(gross monthly income)
lf you are p	aid mon	thly	\$	
				(gross monthly income)

#### 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 month	\$		
(spouse's monthly in regular overtime, pu pension, Social Sec	blic assistance, child support,		
Total Gross Mon	•	\$_	
(Add gross monthly i	ncome from all ross monthly income)		

## **Total Monthly Debt Worksheet**

#### Your Total Monthly Debt Payments

Car Payment	\$	_ (A)
Credit Cards		
Card:	Monthly Paymen	t
	\$	_
	\$	_
	\$	
	\$	_
Total monthly debt from credit cards	\$	
Loan Payments		
Lender:	Monthly Paymen	t
	\$	_
	\$	_
	\$	_
	\$	_
Total monthly debt from loans	\$	(C)

#### Total Monthly Debt Worksheet (continued, page 2 of 2)

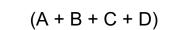
Child Care

\$\_\_\_\_\_x 52 ÷12 =

(Weekly cost for all children)

\$\_\_\_\_\_ (D) \$\_\_\_\_\_

Total Monthly Debt



# **Prequalifying Worksheet**

Total Gross Monthly Income (from the "Calculating Your Gross Monthly Income Wor	\$ (1) ksheet")
Total Gross Monthly Income x 28% (.28) (housing ratio)	\$ (2)
Total Gross Monthly Income x 36% (.36) (debt-to-income ratio)	\$ (3)
Total Monthly Debt Payments (from the "Total Monthly Debt Worksheet")	\$ (4)
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) (estimated taxes and insurance)	\$(7)
Maximum Principal and Interest Payment Allo	owed
Subtract line (7) from line (6)	\$ (8)
Divide line (8) by factor ( ) (from "Sample Interest Factor Table")	\$(9)
<b>Maximum Loan Amount</b> 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%

#### \$40,000 ÷ \$1,000 = \$40 x \$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%

#### \$600 x \$1,000 ÷ \$8.99 = \$66,740.82