

# Setting Your Price Range

1. **Gross annual income** (include spouse's income)  
(Weekly before-tax income, times 52) \_\_\_\_\_
2. **Gross monthly income** (Line 1 divided by 12) \_\_\_\_\_
3. **Divide line 2 by line 1, multiply by 100** \_\_\_\_\_
4. **Monthly debt limit** \_\_\_\_\_
  - A. Debt ratio (Line 2 times .36) \_\_\_\_\_
  - B. Monthly payments \_\_\_\_\_
    - Auto loans/leases \_\_\_\_\_
    - Student loans \_\_\_\_\_
    - Credit cards (5 percent of balance) \_\_\_\_\_
    - Installment debt (furniture, appliances) \_\_\_\_\_
    - Child support/alimony \_\_\_\_\_
  - TOTAL** \_\_\_\_\_
  - C. Debt limit (Line 4A minus 4B) \_\_\_\_\_
5. **Maximum monthly housing expense**  
(principal, interest, taxes and insurance) (Smaller of Lines 3 or 4C) \_\_\_\_\_
6. **Maximum monthly principal and interest** (Line 5 times .90) \_\_\_\_\_
7. **Maximum 30-year mortgage amount**  
(Line 6 divided by interest rate factor, then multiplied by 1,000) \_\_\_\_\_
8. **Maximum purchase price** (Line 7 times down payment factor) \_\_\_\_\_

| Percentage Down-payment | Down-payment Factor | Market Interest Rate | Interest Rate Factor |
|-------------------------|---------------------|----------------------|----------------------|
| 20%                     | 1.250               | 5%                   | 5.37                 |
| 15%                     | 1.176               | 6%                   | 6.00                 |
| 10%                     | 1.11                | 7%                   | 6.65                 |
| 5%                      | 1.053               | 8%                   | 7.34                 |
|                         |                     | 9%                   | 8.05                 |
|                         |                     | 10%                  | 8.78                 |
|                         |                     | 11%                  | 9.53                 |
|                         |                     | 12%                  | 10.29                |
|                         |                     | 13%                  | 11.07                |

