

## What Monthly Payment Can You Afford?

There are many online calculators available to help you determine how much of a total monthly mortgage payment you may be able to afford. An easy guideline to follow is the 36% rule; your total monthly debt should stay below 36% of your gross income (Debt-to-Income Ratio or DTI)<sup>1</sup>. To do a quick estimate of what you could potentially afford, you need two basic numbers: Maximum Monthly Debt and Current Monthly Debt. Your lender may permit a different ratio than the estimate below.

## **GROSS INCOME**

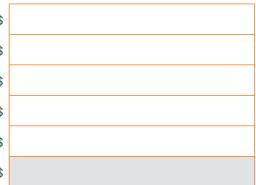
Step 1: Calculate your maximum debt based on your desired DTI ratio.



## DEBTS

Step 2: Subtract your monthly debt from your maximum debt to calculate your max monthly mortgage payment.

| 8  | Total Monthly Minimum Credit Card Payments | \$ |
|----|--|----|
| 9  | Total Monthly Car Payments                 | \$ |
| 10 | Total Monthly Personal Loan Payments       | \$ |
| 11 | Total Monthly Student Loan Payments        | \$ |
| 12 | Total Other Monthly Debts                  | \$ |
| 13 | CURRENT MONTHLY DEBT (Rows 8+9+10+11+12)   | \$ |



MAXIMUM MONTHLY MORTGAGE PAYMENT Maximum Debt (Row 7) - Current Debt (Row 13)



Homeownership doesn't have to be a dream. Mortgage insurance can get you into a house faster with less than a 20% down payment. Talk to your loan officer to learn more about the value of MI.

<sup>1</sup> For illustrative purposes only; please consult your financial advisor regarding your own financial situation.



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