



# ESTIMATE YOUR MORTGAGE PAYMENT

INTEREST RATE	MONTHLY PAYMENT PER THOUSAND DOLLARS			INTEREST RATE	MONTHLY PAYMENT PER THOUSAND DOLLARS		
	15 years	20 years	30 years		15 years	20 years	30 years
4.25%	\$7.53	\$6.21	\$4.93	9.25%	\$10.29	\$9.16	\$8.23
4.5%	7.65	6.34	5.08	9.5%	10.44	9.32	8.41
4.75%	7.78	6.48	5.22	9.75%	10.60	9.49	8.60
5.0%	7.91	6.60	5.37	10.0%	10.75	9.66	8.78
5.25%	8.04	6.74	5.53	10.25%	10.91	9.82	8.97
5.5%	8.18	6.89	5.69	10.5%	11.06	9.99	9.15
5.75%	8.31	7.03	5.84	10.75%	11.22	10.16	9.34
6.0%	8.44	7.17	6.00	11.0%	11.37	10.33	9.53
6.25%	8.58	7.32	6.16	11.25%	11.53	10.50	9.72
6.5%	8.72	7.46	6.33	11.5%	11.69	10.67	9.91
6.75%	8.85	7.61	6.49	11.75%	11.85	10.84	10.10
7.0%	8.99	7.75	6.65	12.0%	12.01	11.02	10.29
7.25%	9.13	7.90	6.82	12.25%	12.17	11.19	10.48
7.5%	9.27	8.06	6.99	12.5%	12.33	11.37	10.68
7.75%	9.41	8.21	7.16	12.75%	12.49	11.54	10.87
8.0%	9.56	8.36	7.34	13.0%	12.66	11.72	11.07
8.25%	9.70	8.52	7.51	13.25%	12.82	11.90	11.26
8.5%	9.85	8.68	7.69	13.5%	12.99	12.08	11.46
8.75%	9.99	8.84	7.87	13.75%	13.16	12.26	11.66
9.0%	10.14	9.00	8.05	14.0%	13.32	12.44	11.85

Multiply the monthly payment per thousand dollars x number of thousands borrowed. For example, \$85,700 borrowed for 15 years at 8.5%:

$$\begin{array}{r}
 85.7 \text{ thousands borrowed} \\
 \times \$9.85 \text{ payment per thousand dollars} \\
 \hline
 =\$844.15 \text{ Monthly mortgage payment.}
 \end{array}$$



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# CLOSING COSTS CHECKLIST



Every mortgage lender structures charges to the borrower differently, and the allocation of specific charges between buyer and seller varies widely from locality to locality depending on prevailing customs and practices. No buyers will have to pay all the charges listed, and every buyer will probably have to pay something that's not listed. Most purchasers have been presented with a good faith estimate of closing costs – called a RESPA statement – and a document from their attorney or the closing firm itemizing closing charges.

COMMON CHARGES	DATE	ESTIMATE	COST	COMMENTS
Earnest money or deposit	_____	\$_____	\$_____	_____
Interest points charged by the lender	_____	_____	_____	_____
Loan assumption fee	_____	_____	_____	_____
Loan origination or discount fees	_____	_____	_____	_____
Prepaid Mortgage insurance	_____	_____	_____	_____
Credit report	_____	_____	_____	_____
Appraisal	_____	_____	_____	_____
Property survey	_____	_____	_____	_____
Initial mortgage payment	_____	_____	_____	_____
Inspections of property	_____	_____	_____	_____
Recording fees	_____	_____	_____	_____
Prepaid homeowner's insurance for first year	_____	_____	_____	_____
Prorated property taxes	_____	_____	_____	_____
Attorney's fees	_____	_____	_____	_____
Title search and insurance	_____	_____	_____	_____
State and local closing taxes and fees	_____	_____	_____	_____
Down payment (down payment less earnest money paid)	_____	_____	_____	_____
Prorated maintenance for remainder of month (condos, co-ops)	_____	_____	_____	_____
Other closing costs	_____	_____	_____	_____
Amount needed at closing	_____	_____	_____	_____

## PREPARING FOR CLOSING

- Make financial arrangements (mortgage, transfer funds, etc.).
- Purchase homeowner's insurance.
- Have property surveyed unless mortgage lender has arranged this.
- Arrange for termite or other inspection.
- Make a final walk-through.
- Know your closing costs (see RESPA statement).
- Have bank check prepared for closing, as required.



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# WHAT CAN YOU AFFORD?



Before you set out on a house-hunting foray, you should know what price range is realistic for you. To be considered for a mortgage, you generally have to meet two conditions before there's even a credit check: You must be able to handle the monthly payment of principal, interest, taxes, and insurance (PITI), and you must have an adequate down payment. Although the criteria for these vary, you can get a rough idea of what many lenders think you can afford from the worksheet below. Find out what are the prevailing rates, required down payment percentages, and loan terms. Then take out your calculator and fill in the blanks—in pencil.

	Column A	Column B
Annual income before taxes (gross):	\$ _____	
Divide by number of months:	_____ ÷ 12	
Monthly gross income:	= _____	= _____
(Record it in both columns. Perform operations only on figures in the same vertical column.)		
Many lenders will not allow you to spend more than 28% of your monthly gross income on housing expense: (column B)		
Maximum monthly housing expense allowance (column B):		_____ X .28
Many lenders allow 36% of monthly gross income for long-term debt:	_____ x.36	= _____
Long-term monthly expense allowance:	= _____	
Figure out your monthly long-term obligations below, and subtract it from the allowance:	- _____	
child support _____ \$ _____		
auto loan _____ + _____		
credit cards _____ + _____		
association fees _____ + _____		
other _____ + _____		
total long-term obligations: _____ = _____		
Monthly housing expense allowance:	= _____	
Look at the last amount in columns A and B. Record the smaller amount:	\$ _____	
About 20% of the housing expense allowance is for taxes and insurance, leaving 80% for payment of mortgage (principal and interest):	_____ x.80	
Allowable monthly principal and interest expense:	= _____	
Divide by MONTHLY PAYMENT PER THOUSAND DOLLARS from "Estimate Your Mortgage Payment" document	+ _____	
	= _____	
Multiply by 1000:	_____ X 1000	
<b>Affordable mortgage amount</b> (what the lender will lend):	\$ _____	

In addition to the mortgage you borrow from a lender, normally you will be required to make a down payment—a percentage of the purchase price you must pay in cash. A standard down payment is 20 percent of the purchase price, but it could be almost any amount, depending on the requirements of your lender. You can afford a house that is the total of your affordable mortgage amount plus the down payment.



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