

YOUR BUDGET MADE SIMPLE

ESTABLISH A BUDGET

When you're ready to buy a home for the first time, it's important to look at your finances and find out what you can afford. While mortgage programs and lenders vary, a general guideline is to spend no more than 31% of your gross income on housing costs. However, even that amount might be too high depending on your other expenses. If you don't already have a budget, write down all of your regular expenses and determine what kind of payment you can feel comfortable making every month. Once you start house hunting, it will be easy to fall in love with a home that's out of your reach. Having a number in the back of your mind will help you stay on track.

Where is your money going each month?

Income	Take home (after taxes, etc.)	\$
	Tips	
	Other forms of income	
TOTAL INCOME		\$
Fixed expenses	Housing costs	\$
	Car payments	
	Car insurance	
	Utilities (water, electric, gas, etc.)	
	Loan payments	
	Credit card payments	
	Savings account allocation	
	Phone/mobile service	
	Cable/satellite service	
	Other bills	
TOTAL FIXED EXPENSES		
Variable expenses	Groceries	\$
	Dining out	
	Clothing	
	Entertainment	
	Gifts	
	Miscellaneous	
TOTAL VARIABLE EXPENSES		
TOTAL EXPENSES		\$

When you have a detailed picture of both your income and your expenses, you can evaluate your spending, make adjustments and get an accurate look at how much you can afford to spend on a monthly mortgage payment.