

Name \_\_\_\_\_

## Buying a House – How Much Can You Afford?

As a general rule, you should borrow no more than 2 – 2.5 times your annual gross income to buy house. For the purpose of this worksheet, we will use 2 times your gross income. When you add this to the amount you already have saved, that will give you the maximum amount you should be able to spend for a house.

Example: Fred's savings: \$31,000  
Fred's salary: \$28,600 per year  
Maximum Fred should borrow:  $\$28,600 \times 2 = \$57,200$   
Maximum Fred should be able to spend:  $\$57,200 + \$31,000 = \$88,200$

1. Greg's savings: \$24,500 Greg's salary: \$42,800 per year	Maximum Greg should borrow: _____ Maximum Greg should spend: _____
2. Rafael's savings: \$41,600 Rafael's salary: \$2,850 per month	Maximum Rafael should borrow: _____ Maximum Rafael should spend: _____
3. Lilia's savings: \$27,620 Lilia's salary: \$885 per week	Maximum Lilia should borrow: _____ Maximum Lilia should spend: _____
4. Horatio's savings: \$48,000 Horatio's salary: \$82,500 per year	Maximum Horatio should borrow: _____ Maximum Horatio should spend: _____
5. Josh's savings: \$25,800 Josh's salary: \$3600 per month	Maximum Josh should borrow: _____ Maximum Josh should spend: _____
6. Lacey's savings: \$33,300 Lacey's salary: \$4250 per month	Maximum Lacey should borrow: _____ Maximum Lacey should spend: _____
7. Marge's savings: \$15,000 Marge's salary: \$650 per week	Maximum Marge should borrow: _____ Maximum Marge should spend: _____
8. Bertha's savings: \$50,300 Bertha's salary: \$5,800 per month	Maximum Bertha should borrow: _____ Maximum Bertha should spend: _____