How Big a Mortgage Can I Afford?

Mortgage payment:

Not only does owning a home give you a haven for yourself and your family, it makes great financial sense, too.

This calculation assumes a 28 percent income tax bracket. If your bracket is higher, your savings will be too.
Rent:
Multiplier: X 1.32

Because of tax deductions, you can make a mortgage payment—including taxes and insurance—that is approximately one-third larger than your current rent payment and end up with the same amount of income.

For more help, use the Fannie Mae's online mortgage calculators.

Reprinted from REALTOR® Magazine Online by permission of the NATIONAL ASSOCIATION OF REALTORS® Copyright 2005. All rights reserved. www.REALTOR.org/realtormag