



Attachment B
Cost and Income Qualification Example
Households at 80% of AMI (\$52,640)
(\$49,200 as example for calculations below)

Average price of 8 condos in 93436 and 93455	\$286,106
80% Conventional mortgage at 6.25% fixed 30 years	128,468
3% Homebuyer Downpayment	<u>8,583</u>
	- 137,051

Financing Gap filled by County Loan **\$149,055**

Monthly 1 st Mortgage Payment to Bank	791
Monthly Mortgage Payment to County	0
Taxes and Insurance @ 1 ½% of improvements	357
Homeowners Association Dues	<u>120</u>
	\$1,268

NOTES:

Annualized housing cost total equals 31% of annual income (front end)

Annualized total household debt assuming \$150 monthly unsecured debt payments equals 35% of annual income (back end)

Calculation Example of How Much Can a Family Afford to Borrow with \$49,200 income and \$150 in Unsecured Debt

Monthly Income

Salary/Wages

Other Income

Monthly Housing Expenses

Property Taxes and Insurance

Other Monthly Expenses

Homeowner Association Fees

Car, Credit Cards and other Debt Payments

Loan Term and Interest Rate

Loan Term Years

Interest Rate %

Results

maximum monthly mortgage

You may qualify for a maximum loan amount of