

How Much House Can I Afford?

Use this helpful calculator to estimate how much you can afford to spend on a new home.

Buying a home is an exciting endeavor, but it can also be overwhelming especially if you're a first-time homebuyer. It may be the most expensive and personal purchase of your life. With careful research, the keys to your dream home can be within reach. Our calculator can help you begin your home buying journey by taking the guesswork out of home affordability and encourage you to make a financially responsible choice.

Enter your income, down payment amount, and monthly debts. More information about each question is available where you see this symbol: ⓘ

* Indicates required field

Ready? Let's get started:

*What is your household's annual gross income? ⓘ	<input style="width: 90%;" type="text" value="\$0"/>
*What are your monthly debt obligations? ⓘ	<input style="width: 90%;" type="text" value="\$0"/>
*How much do you have for a down payment ⓘ	<input style="width: 90%;" type="text" value="\$0"/>

Advanced Options ⌵

See your results

TAGS: [calculator](#), [home affordability](#), [expenses](#)

This calculation is only an estimate based on information you provided. All personal and financial factors should be considered before buying a home.

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Recalculate

Estimated house price up to: \$700,749

Your estimated monthly mortgage payment: ⓘ

\$3,250

20% DTI Ratio 50% DTI Ratio

36%

Your debt-to-income (DTI) ratio is **36%**.

Congratulations! According to your budget, a house at this price should be affordable.
You are on your way to becoming a homeowner.

How was this calculated? Your debt-to-income ratio (DTI) is your total monthly debt divided by your gross monthly income. A low DTI ratio, typically 36% or less, reflects a good balance between your income and debt, and means less risk to lenders.¹ Your estimated monthly payment depends on your selected loan term and interest rate. Your estimated monthly payment is applied to the present value of annuity formula to find the loan amount.² The loan amount plus your down payment yields the estimated home price.

Our home affordability calculator is just the first step to finding a home within your budget. Keep in mind that other cost considerations may impact your mortgage affordability, including monthly expenses outside of housing, other quarterly or annual expenses, and real estate taxes. To determine a more accurate monthly mortgage amount, you should get pre-qualified by a lender or consult with a financial advisor.

Once you've found the home of your dreams, protect your investment and provide peace of mind with homeowners insurance. [Learn more](#) on what to look for when selecting an insurer.

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¹ What's Considered A Good Debt-To-Income (DTI) Ratio? Investopedia, 2018.

² Present Value Of An Annuity, Investopedia, 2018.

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Enter your income, down payment amount, and monthly debts. More information about each question is available where you see this symbol:

* Indicates required field

Ready? Let's get started:

*What is your household's annual gross income?	<input type="text" value="\$40,000"/>
*What are your monthly debt obligations?	<input type="text" value="\$2,000"/>
*How much do you have for a down payment	<input type="text" value="\$0"/>

Advanced Options

Recalculate

Your debt-to-income ratio is higher than **50%**.

We couldn't calculate a valid home price based on your entered budget. Please increase the income amount and/or decrease the debt amount to recalculate.

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