

Front End/Back End Ratio Work Sheet

Front End:

Gross Monthly Income or GMI (Total from Work Sheet #1): \$ _____

Multiply by 28% (This percentage varies with type of loan): (GMI x .28)

Equals: (=) \$ _____

Back End:

GMI (Total from Work Sheet #2) \$ _____

Multiply by 36% (This percentage varies with type of loan): (GMI x .36)

Equals: (=) \$ _____

Minus Current Debts (Total from Work Sheet #1) (-) \$ _____

Equals: (=) \$ _____

Lesser of Both: **Maximum Housing Payment:** \$ _____

Once you figure out both amounts the lesser of both totals will equal the maximum amount of mortgage you can afford including taxes and insurances.