

The background of the entire image is a close-up, high-angle shot of a large pile of US coins, primarily pennies, which are slightly out of focus. In the upper right corner, there is a bundle of US dollar bills, tied together with a rubber band, also slightly out of focus. The entire image has a semi-transparent blue overlay.

FIRST TIME HOME BUYERS

STEP TWO

MONTHLY PAYMENT

AMOUNT

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What You Qualify For vs. What You Can Afford



Our Discussion Points

Many first-time homebuyers focus on what they qualify for, but it's just as important to determine what you're comfortable spending each month.

- ✓ Typical home purchase transactions take 25-30 days
- ✓ Set your budget – What do you want to spend monthly? How much do you have for a down payment?
- ✓ Practice your payment – If your goal is a \$4,000/month mortgage, try setting aside that amount now to ensure it's sustainable.

What Does Your Monthly Payment Include?

Your total mortgage payment isn't just the loan amount—it includes other costs, too. Here's what to expect:

- 📌 Principal & Interest – The main portion of your mortgage payment.
- 📌 Property Taxes – Typically 1.25% of the home's value annually, divided into monthly payments; this varies depending on where you buy your home.
- 📌 Homeowner's Insurance – Protects your property; required by lenders.

Example Calculation:

🏠 Home Price: \$800,000

💰 Loan Amount: \$640,000 (80% Loan-to-Value)

📈 Interest Rate: 5.5%

📅 Monthly Principal & Interest: \$3,634

🏛️ Property Taxes: $(\$800,000 \times 1.25\%) \div 12 = \833.33

🔒 Homeowner's Insurance Estimate: \$150

Total Monthly Payment: \$4,617.33

📢 Your actual payment will vary based on purchase price, down payment, interest rate, and loan terms.
We can review your specific scenario with you!

Can you afford a mortgage payment?

Why Practice Your Payment?

Buying a home is a long-term financial commitment. Practicing your mortgage payment in advance helps ensure you're financially prepared.

💡 Try this: Continue paying rent as usual, but deposit the difference between your rent and your expected mortgage payment into a down payment savings account each month. This builds savings and prepares you for the new expense.

🏠 Thinking 6+ months ahead? Living as if you already own a home can help you save even more and prepare for unexpected expenses.

Debt To Income Ratio (DTI)

What is a DTI and Why is it important?

Your DTI ratio helps lenders determine how much you can afford to borrow. It's calculated by comparing your monthly debt payments to your gross monthly income.

Quick DTI Calculation:

 To download a copy of our DTI calculator, visit:
westcalfinancial.com/dti-calc-download

Quick Debt to Income Calculation

[illegible]

KEEP IN MIND:
Most Lenders will
accept a maximum
DTI of 50%

$$\frac{\text{Combined Monthly Income} - \text{Total Monthly Debt}}{\text{Total}} \times 100 = \text{DTI}$$

$$(\text{Total} / 12) / 2 = \text{Maximum DTI}$$

To download a copy of this DTI calculator visit: <https://westcalfinancial.com/dti-calc-download>

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Your Next Steps:

- ✓ Determine Your Ideal Monthly Payment – What's a comfortable number for you?
- ✓ Practice Your Payment – Save the difference to prepare for homeownership.
- ✓ Understand Your DTI – This will help determine how much you can borrow. Keep in mind most lenders will accept a maximum DTI of 50%.
- ✓ Schedule a Consultation – We can help you explore loan options and affordability.

Contact Information

Get in Touch

ANGEL MORALES

REALTOR ® - Broker Associate
Phone: 415-497-0768 Fax: 877-890-5455

DRE Lic# 01923083 Comp.
NMLS # 368447

Angel@WestCalFinancial.com

BRANDON MCGRATH

Real Estate & Mortgage Broker/Owner
Phone 415.250.7241

DRE Lic# 01867243
Comp. NMLS #368447
Ind. NMLS #334707

Brandon@WestCalFinancial.com
www.WestCalFinancial.com

MAILING ADDRESS

1775 Indian Valley Rd.
Novato Ca. 94947

"If you are thinking of buying a home and would like to speak to a buyer's agent in your area please call, text or email and I will provide you with a contact for an agent who can help. I can help answer questions for any buyer but showing homes in your area and negotiating contracts is best handled by an agent who is an expert in the market you are looking to buy."

Request Info By Clicking [HERE](#)



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HOME BUYER CREDIT

PURCHASE PRICE : \$800,000

DOWN PAYMENT : \$160,000 (20%)

LOAN AMOUNT
X LOAN COMMISSION (1.25%)
BUYER CREDIT

$\$640,000 \times 1.25\% = \$8,000$ CREDIT

If you would rather obtain a lower rate with this credit we use it to buy down the interest rate.



Thank You!

WE HOPE TO HEAR FROM YOU SOON.