# 28/36 Budgeting Sheet

**Step 1: Create your 28/36 budget.**

a. Monthly income (before taxes): $______________

b. Housing budget (28% of a): $_______________

c. Total debt budget (36% of a): $_______________

**Step 2: Assess your situation.**

d. Current monthly debt payments: $_______________

e. Money left for housing (c - d): $_______________

**Compare your answers for e and b. Given your current debts, is the 28/36 rule a realistic guideline for you?**

- If you're unable to comfortably balance your housing expenses and total debt using the 28/36 rule, this may be a sign you're taking on too much house or have too much debt.

**Step 3: Find your DTI.**

f. Debt-to-income ratio (d/a): _______ x 100: _______%

The lower your DTI, the better your chances of getting approved for a mortgage (and getting the best terms). Here's a general breakdown:

**Below 36%:** You're most likely to be approved for a mortgage with the best terms.

**36%–42%:** While you may not score the best terms, you're still likely to be approved for a mortgage.

**43%–50%:** Many lenders will view this much debt as a red flag, and you're less likely to be approved. Even if you are approved, you'll probably have a high interest rate and less favorable terms.

**Over 50%:** Most lenders will deny your mortgage application.

If you can comfortably balance your debts, income, and housing payments, you may be ready to explore your mortgage options!