Debt-to-Income Ratio

1st: Add Up Your Monthly Debt Payments

- Monthly Mortgage or Rent (including escrow):
- Monthly Auto or Other Installment Loan Payments:
- Minimum Monthly Credit Card Payments:
- Minimum Credit Line Payments (home equity):
- Monthly Real Estate Non-Income Loan Payments:
- Monthly Alimony and Child Support Payments:
- Monthly Tax and Legal Assessments:
- Monthly Other Payments:

= Total Payments: __________

2nd: Add Up Your Monthly Income

- Total Gross Salary or Pay:
- Annual Bonus:
- Monthly Alimony / Child Support:
- Other Monthly Income:

= Total Income: __________

Divide “Debt Payments” by “Total Income”:

= % debt ratio

36% or Less:
your debt level is within acceptable range for most people

37%-42%:
your debt level is a little high; you need to take corrective action to bring debt down

43%-50%:
danger level; you need to take immediate action before losing control of your financial situation

50% or more:
excessive debt load; you may need to seek outside counseling services

online calculator: www.SayEducate.com/calc