How to Calculate Gross and Net Monthly Income

Gross income essentially refers to your total compensation (base salary) before taxes or other deductions. If your client is paid:

	Calculate Net	Income (After ta	axes) = Gross Inc	come x .75	Differe	nce	
Hourly	\$ (Pay before deduc)
Paid Weekly	\$ (Pay before deduc		÷ 12 months	=\$(/_ Gross/Net month	(ly income))
Paid Bi-Weekly	\$ (Pay before deduc		÷ 12 months		/_ (Gross/Net month		,
Paid Twice Month	\$(Pay before de			= \$	// (Gross/Net me	(onthly incom	ie)
Self Employed	\$ (Income from p	(Annual Income) previous year's t	÷ 12 months ax return before o	= \$ deductions)	/_ (Gross/Net m	(nonthly incor) ne)
	Calculating Max	imum Purchase	Price - Gross/N	let Income			
1. Determine Mont	hly Debts (Total De	ebt-to-Income):				Differ	ence
\$/_ Gross /Net mont		X	.43%		// t Total Debts Allov)
2. Determine Maxin \$/				= \$ Gross/Ne	/_ t Max Mortg. Payr	_(B) (nent)
3. Subtract Total Do \$/_ Gross/Net Total I	ebt Allowed from N - Debts Allowed (A)	\$		= \$ Gross/Net	// t Max. Other Debt	_(C) ()
4. Determine Maxi \$/_ Gross/Net Max. N	X	41.67	X 3.5 nart Below	= \$_ Gross/Ne	t Est. Max. Loan A	_(D) (\mt.)
	mum Purchase Pric + ated Maximum (.95	<u>.965</u> Loan-To-Value			// et Max. Purchase F		
Factor 30 Year - !	5.0% - 41.67 5.5 9			ome \$			

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A. Monthly Fixed Expense	!S								
Fixed Expenses	Projected	Actual: Currently	Monthly Expenses	Projected	Actual: Currently				
Mortgage(s)/Rent	\$	\$	Car Insurance	\$	\$				
Garbage, Sewer	\$	\$	Car Maintenance	\$	\$				
Student Loan(s)	\$	\$	Gas/Fuel	\$	\$				
Phone, Internet	\$	\$	Health Insurance	\$	\$				
Car Payment(s)	\$	\$	Life Insurance	\$	\$				
House Maintenance	\$	\$	Property Tax	\$	\$				
Home Security	\$	\$	Child Support/Alimony	\$	\$				
HOA/Condo Fees	\$	\$	Other	\$	\$				
TOTAL (A)	\$	\$	Other	\$	\$				
B. Monthly Flexible Expenses			C. Total A + B	\$	\$				
Savings/Retirement	\$	\$							
Gas and Electric	\$	\$							
Cable	\$	\$	D. Monthly Income	Gross	Net				
Groceries	\$	\$	No. 1	\$	\$				
Lunch (work/school)	\$	\$	No. 2	\$	\$				
Home Repairs	\$	\$	No. 3.	\$	\$				
Public Transportation	\$	\$	Other Income	\$	\$				
Eating Out	\$	\$	Total Net Income	\$	\$				
Pet Care	\$	\$							
Clothing	\$	\$							
Books/Music	\$	\$	E. Monthly Expenses	\$	\$				
Laundry/Dry Cleaning	\$	\$	Fixed (A)	\$	\$				
Rental Insurance	\$	\$	Flexible (B)	\$	\$				
Doctor/Dental Visit	\$	\$	Other Monthly (C)	\$	\$				
Health Club/Union Dues	\$	\$	Total Monthly Expenses	\$	\$				
Church/Charity	\$	\$							
Home Warranty	\$	\$	Difference subtract total expenses (E) from income (D)	Gross \$ \$	Net				
Lawn Care	\$	\$							
Alcohol/Cigarettes	\$	\$							
Entertainment/Hobbies	\$	\$		Available for additional savings or debt payoff if a positive					
Child Care	\$	\$	_	number is calculated. If a negative number is calculated, the buyer is spending more than they make. You must review the budget thoroughly to examine where they can trim their					
Credit Card(s)	\$	\$							
Lottery/Bingo	\$	\$	· · · · · · · · · · · · · · · · · · ·						
Barber/Beauty Shop	\$	\$	expenses to prevent major financial problems in the future.						
Loan	\$	\$							
Loan	\$	\$							
Other	\$	\$							
TOTAL (B)	\$	\$							