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## How to calculate your ratios

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**Calculating your housing-expense-to-income ratio (Rule of thumb: At or below 28%)** For all individuals who will be included on the loan application:

1. Estimate your future monthly housing expense, including principal, interest, taxes, insurance, and any housing association or condominium fees using our [Monthly Payment calculator](#).
2. Total your gross monthly salary (before taxes), plus overtime and bonuses. Also include any alimony or child support received that you choose to have considered for repayment of the loan.
3. Divide estimated monthly housing expense by monthly income.
4. Multiply the result by 100 for your housing expense-to-income ratio.

Is your ratio above 28%?

- There are loan programs that allow for higher housing expense-to-income ratios. Consult with a home mortgage consultant to discuss your options.
- Consider increasing your down payment if possible, looking for a less expensive home, or considering an area with lower property taxes.

**Calculating your debt-to-income ratio (Rule of thumb: At or below 36%)**

1. Total your monthly debt: Include minimum credit card payments, auto and student loans, consumer loans, and other financial obligations including child support and alimony. Do not include your **current** housing payment, unless you own your home and will keep that property.
2. Add in your estimated future housing expense, including principal, interest, taxes, insurance, and any housing association or condominium fees using our [Monthly Payment calculator](#).
3. Total your gross monthly salary (before taxes), plus overtime and bonuses. Also include any alimony or child support received that you choose to have considered for repayment of the loan.
4. Divide your monthly debt by monthly income.
5. Multiply the result by 100 for your debt-to-income ratio.

Is your ratio above 36%?

- There are loan programs that allow for higher debt-to-income ratios. Consult with a home mortgage consultant to discuss your options.
- You might try to reduce your existing monthly debt by paying off one or more obligations.
- Think about consolidating outstanding loans at a lower interest rate and payment.

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