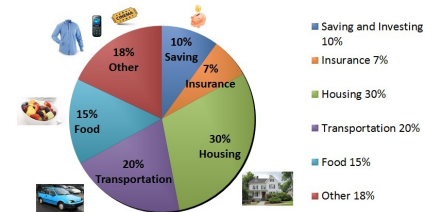


Help! How much can I afford on a car or an apartment?

Remember, we typically advise you to try to stay under 30% of your net monthly income on housing, and 20% net monthly income on debt, to include car loan and college loans if possible.



HOUSING

To determine how much you can afford for housing do this:

Net pay x 0.30 = _____ This is 30% of your net pay.

This is how much you can afford for rent each month. If you have a roommate, you can split the rent in two. Keep in mind, if you have a roommate, you need a separate bedroom for each person.

CAR LOAN

To determine how much you can afford for a car, you have to work backwards.

- What can you afford as a monthly payment? The answer is 20% of your net pay. So do this:
 - Net pay x 0.20 = \$ _____
This is what you can afford for total debt each month
- IF YOU PICKED COLLEGE DEGREE: You will need to subtract your school loan from the monthly payment to determine what you can afford.
 - Monthly debt payment - school loan = \$ _____
This is what you can afford for your car loan if you picked college degree.
- Now, how do you figure out the total cost of the car you can afford, based off of what you can afford for the monthly payment?

Estimate based on the following car payment costs:
(assuming 8% interest for 60 months)

\$20,000 car = \$400 / month (approximately)

\$15,000 car = \$300 / month (approximately)

\$10,000 car = \$200 / month (approximately)

\$5,0000 car = \$100 / month (approximately)

Try to find a car that can stay under your monthly budget for your car loan.

- Once you find a car, go to <http://fncalculator.com> and plug in your correct numbers to determine your actual monthly car payment.

A. Go to <http://fncalculator.com>

b. Click on Auto Loan Calculator at the bottom

Auto Loan and Lease

• Auto Loan Calculator

c. Plug in total cost at the top (example: \$6,999)

d. Put in 8% as the interest rate

e. Put in 36 to 60 months for the length of time

The longer the payment plan, the lower the payments, but the higher the interest paid

36 months = 3 years

48 months = 4 years

60 months = 5 years

Auto Loan Calculator

* Required field

Vehicle Price *	<input type="text" value="8,700"/>
Sale Tax (%)	<input type="text"/>
Fees (taxable)	<input type="text"/>
Fees (non-taxable)	<input type="text"/>
Down Payment	<input type="text"/>
Trade-in Value	<input type="text"/>
Amount Owed on Trade-in	<input type="text"/>
Interest Rate *	<input type="text" value="8"/>
Loan Term *	<input type="text" value="60"/>
Extra Payment Per Month	<input type="text"/>
	<input type="button" value="Reset"/> <input type="button" value="Calculate"/>

Monthly Payment: 176.40

Sale Tax: 0.00

Amount Financed: 8,700.00

Total Interest: 1,884.00

Total Payment: 10,584.00