

A Tip for Uncertain Economic Times – Rule of Thumb for Home Buying

Did you know... that traditional income ratios lenders use as guidelines are no more than 28% of gross income allowed for housing, and no more than 36% of gross income committed to overall debt. When purchasing a home, these percentages are good guidelines to keep you from buying too much house. If most home buyers had used these percentages over the past five years, they probably would not be in financial difficulty with the increase in energy costs and would not be in danger of foreclosure today. Don't let professionals in the housing field pressure you into a bigger home or mortgage that you might not be able to afford later on.

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