



# HOMEBUYER'S PURCHASING POWER

Purchasing power, simply put, is the amount of home you can afford to buy for the budget you have available to spend. As rates increase, the price of the house you can afford will decrease if you plan to stay within a certain monthly housing budget.

The chart below shows what impact rising interest rates would have if you planned to purchase a home within the local median price range, and planned to keep your principal and interest payments between \$1,600-\$1,700 a month.

With each quarter of a percent increase in interest rate, the value of the home you can afford decreases by 6.25% (for every \$25,000).

INTEREST RATE

6%	\$2,398	\$2,248	\$2,098	\$1,949	\$1,799	\$1,649	\$1,499	\$1,349	\$1,199
5.75%	\$2,334	\$2,188	\$2,043	\$1,897	\$1,751	\$1,605	\$1,459	\$1,313	\$1,167
5.50%	\$2,271	\$2,129	\$1,987	\$1,845	\$1,703	\$1,561	\$1,419	\$1,278	\$1,136
5.25%	\$2,209	\$2,071	\$1,933	\$1,795	\$1,657	\$1,519	\$1,381	\$1,242	\$1,104
5%	\$2,147	\$2,013	\$1,879	\$1,745	\$1,610	\$1,476	\$1,342	\$1,208	\$1,074
4.75%	\$2,087	\$1,956	\$1,826	\$1,695	\$1,565	\$1,435	\$1,304	\$1,174	\$1,043
4.50%	\$2,027	\$1,900	\$1,773	\$1,647	\$1,520	\$1,393	\$1,267	\$1,140	\$1,013
4.25%	\$1,968	\$1,845	\$1,722	\$1,599	\$1,476	\$1,353	\$1,230	\$1,107	\$984
4%	\$1,910	\$1,790	\$1,671	\$1,552	\$1,432	\$1,313	\$1,194	\$1,074	\$955
	\$400,000	\$375,000	\$350,000	\$325,000	\$300,000	\$275,000	\$250,000	\$225,000	\$200,000
		6.25%	-12.5%	-18.75%	-25%	-31.25%	-37.5%	-43.75%	-50%

\*Principal and interest payment rounded to the nearest dollar amount.



APPLY ONLINE: [FIRSTCLASSMORTGAGE.COM](https://www.firstclassmortgage.com)

FARGO, ND - NMLS 2520 | GRAND FORKS, ND - NMLS 193150 | MAPLE GROVE, MN - NMLS 322842

