



iQuestions Faculty, Ron Blue

Question:

How much of my budget should I allocate to my home?

Answer:

How much of your budget you should allocate to your house is something that financing institutions would say, "No more than maybe 20-30% of your total spendable income."

I would suggest to you that if you could keep it down around 20%, in terms of your mortgage payments, and then the other expenses that you have associated with the house—the property taxes and the insurance and utilities—will push it up to 25-30%, but I would never, ever commit myself to spending more than 20% of my spendable income on a mortgage.