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RENT VS OWN

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MONTHLY HOME OWNERSHIP ANALYSIS

MONTHLY ANALYSIS	Rent	Ownership
	Payment	\$1,200
Taxes, Insurance & Other	\$20	\$211
Total Payment	\$1,220	\$880
Tax Benefit	\$0	\$182
Principal Paid	\$0	\$129
Net Monthly Payment	\$1,220	\$569

Rent Assumptions	Ownership Assumptions
Rental Increase/yr: 2.000 %	Appreciation: 2.900 % *
	Tax Bracket: 28.000 %
	Purchase Price: \$120,000
	Interest Rate: 5.500 %
	APR: 5.624 %
	Down Payment: \$2,173
	Closing Costs: \$1,626
	Total Cash to Close: \$3,799

This analysis was designed to display the benefit opportunity of homeownership. The rent column shows the amount of rent you are currently paying and the homeownership column reflects the proposed purchase of a new home.

Net Cost of Home Ownership is \$569/mo. The net monthly cost number reflects the actual cost of owning after considering the tax deduction and backing out the principal portion of your payment.

OWNERSHIP ANALYSIS

84 MONTHS ANALYSIS	Rent	Ownership
	Total Payment	\$108,734
Principal Paid	\$0	\$13,178
Tax Benefit	\$0	\$14,632
Net Cost	\$108,734	\$46,102
Real Estate Value	\$0	\$120,000
Loan Balance	\$0	\$104,649
Total Equity	\$0	\$15,351

120 MONTHS ANALYSIS	Rent	Ownership
	Total Payment	\$160,076
Principal Paid	\$0	\$20,571
Tax Benefit	\$0	\$20,415
Net Cost	\$160,076	\$64,603
Real Estate Value	\$0	\$120,000
Loan Balance	\$0	\$97,255
Total Equity	\$0	\$22,745

OVERALL	Rent	Ownership
	Total Investment in 84 Months	\$0
Total Investment in 120 Months	\$0	\$0
Total NetWorth in 120 Months	\$0	\$22,745

By 10 yrs, Your asset account is \$0.	By 10 yrs, your home's equity is \$22,745. Your asset account is \$0. Your TOTAL NET WORTH will reach \$22,745.
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The benefits of homeownership can be seen over time. The tables in this analysis reflect the cost savings as well as the equity you will build based on principal reduction and appreciation rates of your property.

Rent Investment Assumptions	
Opening Balance:	\$0
Monthly Amount:	\$0
Return Average:	0.000 %

Ownership Investment Assumptions	
Opening Balance:	\$0
Monthly Amount:	\$0
Return Average:	0.000 %

After 120 months, you will be \$22,745 wealthier as a homeowner.

