

After Tax Implication of Home Ownership and Gain in Net Worth by "Riding the Equity Bandwagon!"

| After Tax Implications of Home Ownership | | | |
|---|----------|--|-----------|
| John & Janet Jones | | | |
| Estimated Tax Bracket | 28.00% | Extra \$\$\$ / Mo | 0 |
| Sales Price of: | | \$160,000 | |
| FHA Loan | | | |
| Principal & Interest | \$ 892 | Interest Paid | \$ 8,588 |
| Taxes | \$ 147 | Annual Taxes | \$ 1,760 |
| Insurance | \$ 62 | MIP | \$ 864 |
| MIP | \$ 72 | Total Deductible | \$ 11,212 |
| Total | \$ 1,173 | Comparable Rent Would Be Approximately | \$ 911 |
| | | Tax Liability Improves by | \$ 3,139 |
| | | | \$ 262 |

Created by Jim Yarrington 1/2/2009 <http://www.irs.gov/individuals/article/0,,id=96196,00.html>

| Net Worth w/ Home Ownership | |
|---|---------------|
| <u>National Home Appreciation Rates</u> | |
| Number of Months | 60 |
| Annual Appreciation | 2.90% |
| House Price | 160,000 |
| Annual Appreciation | 2.90% |
| Months in Home | 60 |
| Value of Home | 184,585 |
| Loan Balance \$ | 145,257 |
| Net Worth | 39,328 |

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