



6600 College Blvd Suite 200 Overland Park, KS 66211
 Tel (913) 234-8670 jyarrington@pulaskibankstl.com
 Fax (913) 234-8671 www.mortgagestuff.com

RENT VS OWN

Prepared by Jim Yarrington
 July 12, 2009

Prepared For: **John & Janet Jones**
 To Be Determined Kansas City, MO 64141

MONTHLY HOME OWNERSHIP ANALYSIS

MONTHLY ANALYSIS	Rent	Ownership	
	Payment	\$2,400	\$1,338
	Taxes, Insurance & Other	\$30	\$422
	Total Payment	\$2,430	\$1,760
	Tax Benefit	\$0	\$364
	Principal Paid	\$0	\$258
	Net Monthly Payment	\$2,430	\$1,138

Rent Assumptions	Ownership Assumptions
Rental Increase/yr: 2.000 %	Appreciation: 2.900 % *
	Tax Bracket: 28.000 %
	Purchase Price: \$240,000
	Interest Rate: 5.500 %
	APR: 5.562 %
	Down Payment: \$4,346
	Closing Costs: \$1,626
	Total Cash to Close: \$5,972

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 \$1,138/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	\$216,627	\$147,833
	Principal Paid	\$0	\$26,356
	Tax Benefit	\$0	\$29,265
	Net Cost	\$216,627	\$92,213
Real Estate Value	\$0	\$240,000	
Loan Balance	\$0	\$209,298	
Total Equity	\$0	\$30,702	

120 MONTHS ANALYSIS	Rent	Ownership	
	Total Payment	\$318,952	\$211,190
	Principal Paid	\$0	\$41,143
	Tax Benefit	\$0	\$40,829
	Net Cost	\$318,952	\$129,218
Real Estate Value	\$0	\$240,000	
Loan Balance	\$0	\$194,511	
Total Equity	\$0	\$45,489	

OVERALL	Rent	Ownership	
	Total Investment in 84 Months	\$0	\$0
	Total Investment in 120 Months	\$0	\$0
Total NetWorth in 120 Months	\$0	\$45,489	

By 10 yrs, Your asset account is \$0.	By 10 yrs, your home's equity is \$45,489. Your asset account is \$0. Your TOTAL NET WORTH will reach \$45,489.
---------------------------------------	---

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 \$45,489 wealthier as a homeowner.

