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RENT VS OWN

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MONTHLY HOME OWNERSHIP ANALYSIS

MONTHLY ANALYSIS	Rent	Ownership	
	Payment	\$2,800	\$1,561
	Taxes, Insurance & Other	\$40	\$492
	Total Payment	\$2,840	\$2,053
	Tax Benefit	\$0	\$425
	Principal Paid	\$0	\$301
	Net Monthly Payment	\$2,840	\$1,328

Rent Assumptions	Ownership Assumptions
Rental Increase/yr: 2.000 %	Appreciation: 2.900 % *
	Tax Bracket: 28.000 %
	Purchase Price: \$280,000
	Interest Rate: 5.500 %
	APR: 5.553 %
	Down Payment: \$5,071
	Closing Costs: \$1,626
	Total Cash to Close: \$6,697

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 \$1,328/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	\$253,152	\$172,472
	Principal Paid	\$0	\$30,748
	Tax Benefit	\$0	\$34,142
Net Cost	\$253,152	\$107,581	
Real Estate Value	\$0	\$280,000	
Loan Balance	\$0	\$244,181	
Total Equity	\$0	\$35,819	

120 MONTHS ANALYSIS	Rent	Ownership	
	Total Payment	\$372,711	\$246,389
	Principal Paid	\$0	\$48,000
	Tax Benefit	\$0	\$47,634
Net Cost	\$372,711	\$150,755	
Real Estate Value	\$0	\$280,000	
Loan Balance	\$0	\$226,929	
Total Equity	\$0	\$53,071	

OVERALL	Rent	Ownership	
	Total Investment in 84 Months	\$0	\$0
	Total Investment in 120 Months	\$0	\$0
Total NetWorth in 120 Months	\$0	\$53,071	

By 10 yrs, Your asset account is \$0.	By 10 yrs, your home's equity is \$53,071. Your asset account is \$0. Your TOTAL NET WORTH will reach \$53,071.
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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 \$53,071 wealthier as a homeowner.

