



Budgeting: For A Home & Family & ...

A Practical Guide Covering What You NEED To Know
By Tal Frank


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www.physicianloans.com
talfrank@physicianloans.com
404-321-3931

Match Day for Dr. Frank

Proud Day for Founders of PhysicianLoans



THE HOUSE YOU BUY DEPENDS ON YOUR PITI
Capacity




Principal + Interest + Taxes + Insurance

PITI + HOA

HOA = Home Owner Association Dues (Condo)

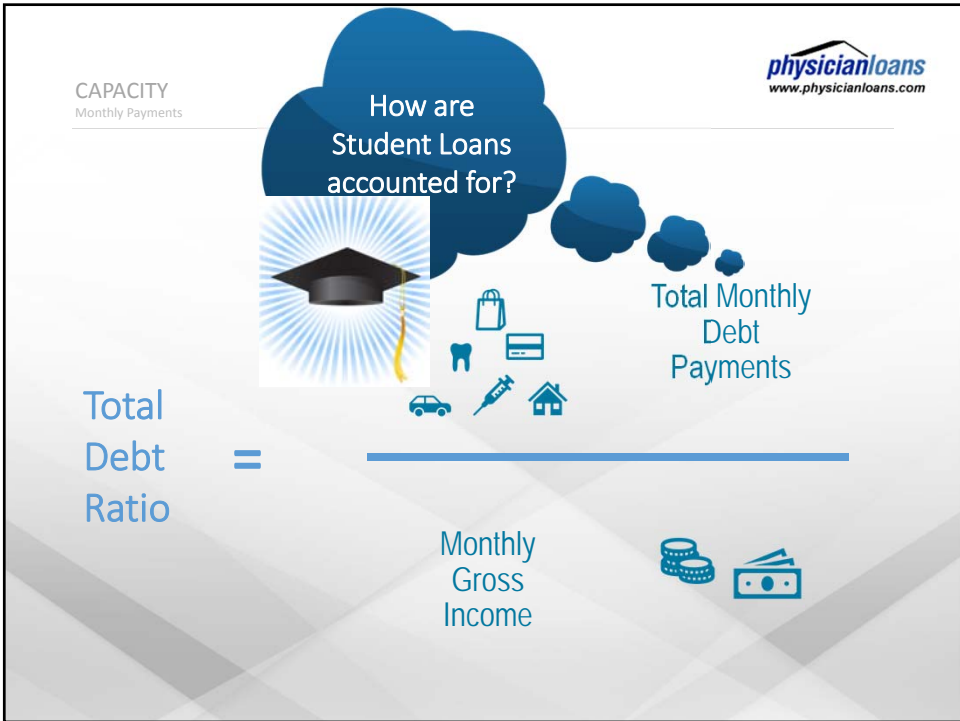
House Payment

THE HOUSE YOU BUY DEPENDS ON YOUR PITI
Capacity



P	Purchase Price (assumes 4.50%)	\$250,000
I	P&I	\$1,266
T	Taxes	\$200
I	Insurance (Home Owners)	\$85
	Total PITI	\$1,551

DEBT RATIO



Household Budget for: August				
Income:				
Salary 1	Budgeted	Actual	Difference	Notes
Salary 2				
Income from Investments				
Other				
TOTAL:	\$0.00	\$0.00	\$0.00	
Outgoings:				
House & Utilities	Budgeted	Actual	Difference	Notes
Mortgage / Rent				
Gas				
Electricity				
Water				
Telephone				
Cell Phone				
Other				
Insurance				
Home Insurance				
Car Insurance				
Health Insurance				
Other Insurance 1				
Other Insurance 2				
Transport				
Car				
Fuel				
Travel Fees				
Parking Fees				
Other Transportation Costs				
Savings & Loans				
Savings / Investments				
Credit Card Payments				
Other Loan Repayments				
Other				
Variable Expenses				
Groceries				
Clothing				
Hair & Beauty				
Entertainment				
Other 1				
Other 2				
TOTAL:	\$0.00	\$0.00	\$0.00	
Affordability				
Budgeted Income:	\$0.00		Difference:	\$0.00
Budgeted Outgoings:	\$0.00			
Actual Income:	\$0.00			
Actual Outgoings:	\$0.00		Difference:	\$0.00



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Budgeting for Investing

During Medical School

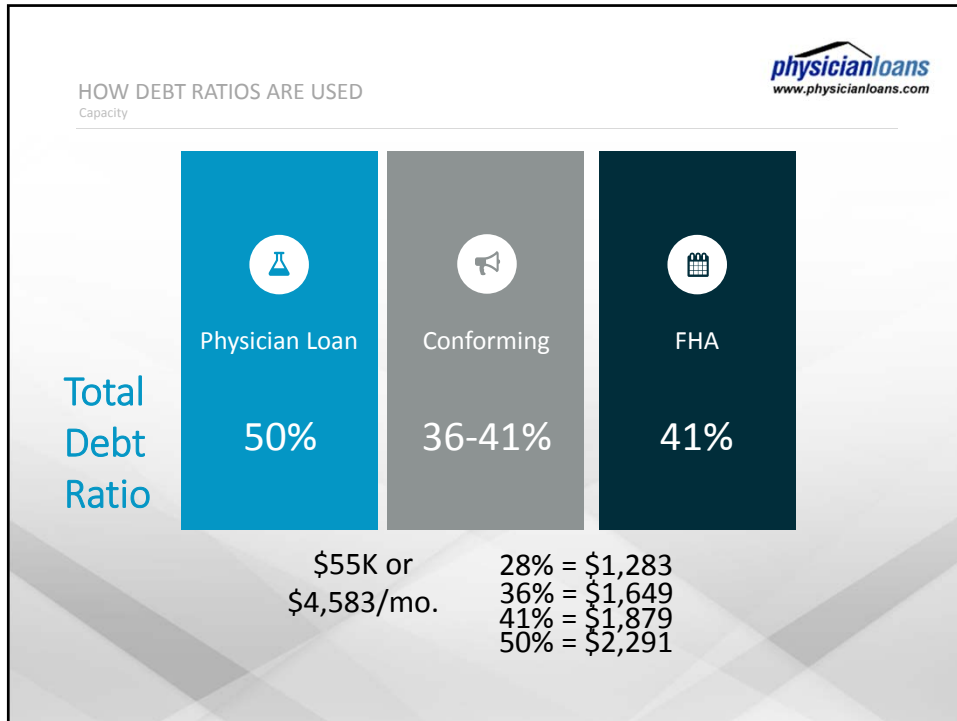
- Don't
- Focus On Minimizing Debt
- Cash / Emergency / Rainy Day Fund

During Residency

- Set It and Forget It
- Roth IRA



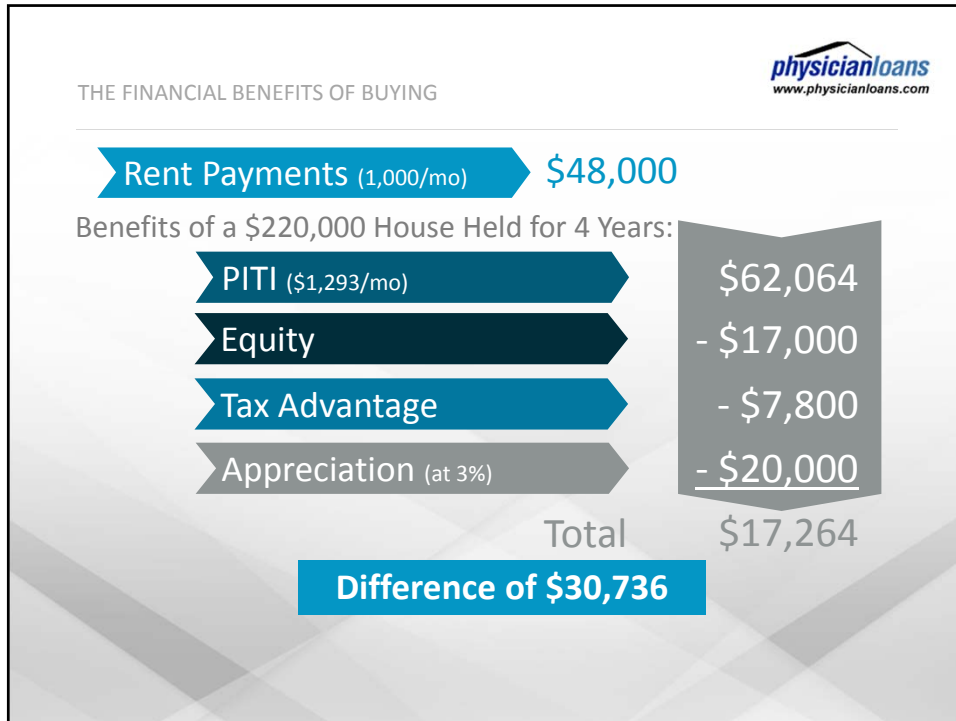
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WHAT IF MY DTI IS TOO HIGH?
Capacity

- Arrange for a Gift from Family**
Your loan must allow for gift funds (to pay off consumer debt)
Discuss with your LO as this requires proper paper trail
- Apply for a Graduation Loan (to pay off consumer debt)**
No Payments for 3 years
Must apply and get approved prior to graduation
www.graduationloan.com
The Catch - Must apply and get approved prior to graduation
Once approved, you have several months to decide if you want to access the funds.
If not used, the approval expires and it did not cost anything.

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PREPARING YOUR CLOSING BUDGET
Capacity – Funds to Close

Down Payment	0% PhysicianLoan	
	3.5% FHA (If you can qualify)	\$
	5% Conforming (If you can qualify)	
Closing Costs	Avg. 3% of purchase price – varies by state	\$
Escrows	3 – 6 mos. taxes & insurance	\$
	1 yr. homeowners insurance	\$
	Prorated interest from closing date to month-end	\$
	Sub-Total	\$
	Less Earnest Funds	\$
	TOTAL Funds at Closing	\$ 0 - 5000

TIP Have the seller pay your closing costs
OR
Modify contract to include closing costs



Item	Cost	When
Application Fee	0	Never
Real Estate Agent Fee	0	Never
Earnest Funds	\$500+	When Making Offer
Home Inspection	\$350+	Within 3 days of Contract
Other Inspections	\$75 - \$500+	Optional
Appraisal	\$450+	Within 7 days of Contract
Condo Documents	\$75+	Once Under Contract
Funds to Close	Varies (\$0 - \$5,000)	At time of Closing

BUY VS. RENT



Top Four Decision Factors



Match City



Time in Home



Lifestyle



Financial Benefits

RESOURCES		
Service	Site	Notes
How to Find a Realtor	www.drsgent.com	Program approved by AMA, AMSA and SOMA. Free service to get matched with a real estate agent that specializes in working with new doctors.
How to Find a Loan Officer	www.physicianloans.com	To find a Loan Officer anywhere in the US that offers a good, true PhysicianLoan. Complete the on-line request form.
Graduation Loan	www.graduationloan.com	Special personal loan available only to 4 th year med students. No payments for 3 years.
Homeowners Insurance	AMA	Pat Lavender 888-627-5898 Option 2 Pat.lavender@amainsure.com
Book About Mortgages	<i>All About Mortgages</i> by Julie Garton-Good	Good book about mortgages. Not a lot of fluff. Not all of it will apply to you but a good book that sits between media for the masses such as the Mortgages for Dummies and a thick training manual used solely by Loan Officers.
Checklist of Loan Paperwork		www.physicianloans.com/checklist
Complex Mortgage Calculations	http://tvmcalcs.com/calculators/apps/excel_loan_amortization	For proud math geeks only. Use this site to understand the math behind a mortgage and how paying extra can impact the loan.
Research Home Value Trends	www.fhfa.gov	Good site to research property value trends. Click on the PDF report on the Home Page titled Housing Price Index Report.
Courtesy of Tal Frank, President	PhysicianLoans	Feel free to reach out to me as a resource for any questions you may have. 404-321-3931 talfrank@physicianloans.com

CONTACT US	
Email or Call with Any Questions!	
 <p>Tal Frank</p>	 www.physicianloans.com
	 +404-321-3931
	 talfrank@physicianloans.com
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