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# RENT VS OWN

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## MONTHLY HOME OWNERSHIP ANALYSIS

|                            | Rent           | Ownership      |
|----------------------------|----------------|----------------|
| Payment                    | \$2,700        | \$2,524        |
| Taxes, Insurance & Other   | \$25           | \$735          |
| Total Payment              | \$2,725        | \$3,259        |
| Tax Benefit                | \$0            | \$606          |
| Principal Paid             | \$0            | \$565          |
| <b>Net Monthly Payment</b> | <b>\$2,725</b> | <b>\$2,088</b> |

  

| Rent Assumptions            | Ownership Assumptions         |
|-----------------------------|-------------------------------|
| Rental Increase/yr: 2.000 % | Appreciation: 2.500 % *       |
|                             | Tax Bracket: 25.000 %         |
|                             | Purchase Price: \$495,000     |
|                             | Interest Rate: 5.000 %        |
|                             | APR: 5.084 %                  |
|                             | Down Payment: \$24,750        |
|                             | Closing Costs: \$4,500        |
|                             | Total Cash to Close: \$29,250 |

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 \$2,088/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

|                     | Rent             | Ownership        |
|---------------------|------------------|------------------|
| Total Payment       | \$134,740        | \$156,447        |
| Principal Paid      | \$0              | \$29,955         |
| Tax Benefit         | \$0              | \$28,373         |
| <b>Net Cost</b>     | <b>\$134,740</b> | <b>\$98,119</b>  |
| Real Estate Value   | \$0              | \$546,138        |
| Loan Balance        | \$0              | \$440,295        |
| <b>Total Equity</b> | <b>\$0</b>       | <b>\$105,843</b> |

  

|                     | Rent             | Ownership        |
|---------------------|------------------|------------------|
| Total Payment       | \$274,235        | \$306,376        |
| Principal Paid      | \$0              | \$64,853         |
| Tax Benefit         | \$0              | \$54,016         |
| <b>Net Cost</b>     | <b>\$274,235</b> | <b>\$187,507</b> |
| Real Estate Value   | \$0              | \$573,445        |
| Loan Balance        | \$0              | \$405,397        |
| <b>Total Equity</b> | <b>\$0</b>       | <b>\$168,048</b> |

  

|                                    | Rent       | Ownership        |
|------------------------------------|------------|------------------|
| Total Investment in 48 Months      | \$0        | \$0              |
| Total Investment in 94 Months      | \$0        | \$0              |
| <b>Total NetWorth in 94 Months</b> | <b>\$0</b> | <b>\$168,048</b> |

  

| BENEFITS                                     | BENEFITS   |
|--|--|
| By 7 yrs 10 mths, Your asset account is \$0. | By 7 yrs 10 mths, your home's equity is \$168,048. Your asset account is \$0. Your TOTAL NET WORTH will reach \$168,048. |

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 94 months, you will be \$168,048 wealthier as a homeowner.**

