

Rent vs. Buy Comparison Chart



How to use this tool

This tool can be used to estimate potential monthly mortgage, principal and interest payments compared to current rent payments. Select the interest rate column closest to the current mortgage interest rate, then find an amount that is closest to your current rent payment in that column. The estimated mortgage amount will be in the left column.

Monthly principal and interest rate ¹										
Mortgage amount	Interest rate ²									
	4%	4.5%	5%	5.5%	6%	6.5%	7%	7.5%	8%	8.5%
\$100,000	\$477	\$507	\$537	\$568	\$600	\$632	\$665	\$699	\$734	\$769
\$150,000	\$716	\$760	\$805	\$852	\$899	\$948	\$998	\$1,049	\$1,101	\$1,153
\$200,000	\$955	\$1,013	\$1,074	\$1,136	\$1,199	\$1,264	\$1,331	\$1,398	\$1,468	\$1,538
\$250,000	\$1,193	\$1,267	\$1,342	\$1,419	\$1,499	\$1,580	\$1,663	\$1,748	\$1,834	\$1,922
\$300,000	\$1,432	\$1,520	\$1,610	\$1,703	\$1,799	\$1,896	\$1,996	\$2,098	\$2,201	\$2,307
\$350,000	\$1,671	\$1,773	\$1,879	\$1,987	\$2,098	\$2,212	\$2,329	\$2,447	\$2,568	\$2,691
\$400,000	\$1,910	\$2,027	\$2,147	\$2,271	\$2,398	\$2,528	\$2,661	\$2,797	\$2,935	\$3,076
\$450,000	\$2,148	\$2,280	\$2,416	\$2,555	\$2,698	\$2,844	\$2,994	\$3,146	\$3,302	\$3,460
\$500,000	\$2,387	\$2,533	\$2,684	\$2,839	\$2,998	\$3,160	\$3,327	\$3,496	\$3,669	\$3,845
\$550,000	\$2,626	\$2,787	\$2,953	\$3,123	\$3,298	\$3,476	\$3,659	\$3,846	\$4,036	\$4,229
\$600,000	\$2,865	\$3,040	\$3,221	\$3,407	\$3,597	\$3,792	\$3,992	\$4,195	\$4,403	\$4,613
\$650,000	\$3,103	\$3,293	\$3,489	\$3,691	\$3,897	\$4,108	\$4,324	\$4,545	\$4,769	\$4,998
\$700,000	\$3,342	\$3,547	\$3,758	\$3,975	\$4,197	\$4,424	\$4,657	\$4,895	\$5,136	\$5,382
\$800,000	\$3,819	\$4,053	\$4,295	\$4,542	\$4,796	\$5,057	\$5,322	\$5,594	\$5,870	\$6,151
\$900,000	\$4,297	\$4,560	\$4,831	\$5,110	\$5,396	\$5,689	\$5,988	\$6,293	\$6,604	\$6,920
\$1,000,000	\$4,774	\$5,067	\$5,368	\$5,678	\$5,996	\$6,321	\$6,653	\$6,992	\$7,338	\$7,689

Call for more details!

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1. This chart is provided for educational and illustrative purposes only. The monthly principal and interest payment amounts are based on a 30-year fixed rate mortgage and do not include any fees or closings costs, taxes, insurance, or other costs typically associated with a mortgage loan. For personal advice regarding your financial situation, please consult with a financial advisor. Consult with your home mortgage consultant for more information regarding the content contained on this page.

2. The applicable Annual Percentage Rate (APR) will be higher than the illustrated interest rate to reflect the total costs associated with a mortgage loan.

Mortgage glossary

Adjustable-rate mortgage (ARM) – A loan with an interest rate that remains fixed for a period of time and then adjusts with market conditions on pre-determined dates.

Amortization – The way in which a loan is repaid in installments of principal and interest, according to a regular schedule, over the life of the loan.

Annual percentage rate (APR) – A term used to represent the percentage relationship of the total finance charge to the amount of the loan, over the term of the loan. Do not confuse the APR with note rate. The APR reflects the cost of your mortgage loan as a yearly rate. It will be higher than the interest rate stated on the note because it includes (in addition to the interest rate) loan points, fees, and mortgage insurance.

Appraisal – A report written by a qualified expert that states an opinion on the value of a property based on its characteristics and the selling prices of similar properties or comparable properties in the area.

Closing – The final step after a lender approves an application. The homebuyer and lender sign the security instrument for the mortgage loan, which states all the terms and conditions of the loan, and the funds for the loan are turned over to the homebuyer's closing agent.

Closing agent – Usually an attorney or title agency representative, who oversees the closing and witnesses signing of the closing documents.

Closing costs – The costs paid by the mortgage borrower (and sometimes the seller) in addition to the purchase price of the property. These include the lender's fees, title fees, and appraisal costs.

Commitment letter – A binding, written pledge, by the lender to a mortgage applicant, to make a loan, usually under certain stated conditions.

Credit report – A report issued by an independent agency which contains certain information concerning a mortgage applicant's credit history and current credit standing.

Credit score – A numerical rating that indicates a mortgage applicant's creditworthiness based on a number of criteria. It is one piece of information used in the decisioning process.

Debt-to-income ratio – A formula lenders use to determine the loan amount for which you may qualify. Guidelines may vary, depending on the loan program.

Deed – A legal document that conveys ownership of a property.

Down payment – A portion of the sales price paid to the seller by the homebuyer to close the sales transaction. Also, the difference between the sales price and the home mortgage amount.

Equity – Your ownership interest, or that portion of the value of the property that exceeds the current amount of your home loan. For example, if the property is worth \$100,000 and the loan is for \$75,000, then you have \$25,000, or 25% equity in your home.

Fixed-rate mortgage – A loan with an interest rate that remains the same for the entire repayment term.

Flood insurance – Insurance required by a lender against flood damage for properties located in areas designated by the federal government as special flood hazard areas.

Good faith estimate – A document that tells mortgage borrowers the approximate costs they will pay at or before closing, based on common practice in the locality.

Homeowners insurance (also called hazard insurance) – A real estate insurance policy required of the buyer protecting the property against loss caused by fire, some natural causes, vandalism, etc. May also include added coverage such as personal liability and theft away from the home.

HUD-1 Settlement Statement – A standard form used to disclose costs at closing.

Interest rate – A percentage of the mortgage amount that is paid to the lender for the use of the money, usually expressed as a percentage.

Lien – A legal hold or claim of a creditor on the property of another as a security for a debt.

Loan-to-value – The ratio of the amount borrowed to the appraised value or sales price of real property expressed as a percentage.

Mortgage insurance – An insurance policy that will repay a portion of the loan if the borrower does not make payments as agreed upon in the note. Mortgage insurance may be required in cases where the borrower makes less than a 20% down payment on the home loan.

Mortgagee – The lender.

Mortgagor – The borrower.

Note – The agreement which states the home mortgage amount to be borrowed and the terms and conditions of the loan. It also includes a complete description of how the loan should be repaid and the time frame for the repayment.

Origination fee – The amount collected by the lender for making a loan. It is generally equal to a percentage of the principal amount borrowed.

Points – One point equals 1% of the loan amount. They are usually paid by the borrower and are designed to reduce the loan's interest rate.

Preferred Payment PlanSM – This free, automatic mortgage payment service enables your customers to build equity faster, pay their mortgage off sooner³ and pay less in interest over the life of their loan. Customers can choose a mortgage payment schedule to fit their individual needs and pay periods – weekly, biweekly, semi-monthly (15th & 30th) or monthly. Since there are 52 weeks in the year, both the weekly and biweekly plans automatically result in the equivalent of one extra payment per year which is applied to the customer's outstanding principal balance. Additional principal can be added to the semi-monthly or monthly schedules as well.

Principal – The amount of a loan, excluding interest; or the remaining balance of a loan, excluding interest.

Title – Evidence of current right to or ownership of a property, plus a history of its ownership and transfers.

Title insurance – A policy that insures against any losses to the property that result from defects in the title or deed for a given piece of property.

Truth-in-lending statement – Required by federal regulations, this statement tells consumers the cost of financing their loan expressed as the annual percentage rate (APR), and it discloses all material terms of the loan including the number of payments, payment amount, etc.

3. Reduced loan terms is not applicable to ARM loans.

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