

# Dream Car vs. Dream Home

## SCENARIO

You bought a **\$200K** home in 2014 (20% down, 4% rate) and own a truck you bought in 2015. Your mortgage payment is **\$1,597.20** and your truck is paid off.

### Dream Home & Budget Car

Keep your truck, sell your home (now worth \$400K) and buy your dream home for \$650K.  
*(Full equity of \$272K as down payment, 7% rate)*

Car Payment	n/a
Mortgage Payment	\$3,869.01
Interest Deduction	(\$490.00)
<b>Total Debt</b>	<b>\$3,379.01</b>

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## SCENARIO

You bought a \$200K home in 2014 (20% down, 4% rate) and own a truck you bought in 2015. Your mortgage payment is \$1,597.20 and your truck is paid off.

### Budget Home & Dream Car

Keep living in your current home and buy your dream car, a \$100K 2022 Jeep Grand Wagoneer (\$90K financed at 8%, 5 years)

Car Payment	\$1,824.88
Mortgage Payment	\$1,597.20
Interest Deduction	(\$100.00)
<b>Total Debt</b>	<b>\$3,322.08</b>

# Dream Car vs. Dream Home

## SCENARIO

You bought a \$400K home in 2014 (20% down, 4% rate) and own a truck you bought in 2015. Your mortgage payment is \$3,194.40 and your truck is paid off.

### Budget Home & Dream Car

Keep living in your current home and buy your dream car, a \$100K 2022 Jeep Grand Wagoneer (\$90K financed at 8%, 5 years)

Car Payment	\$1,824.88
Mortgage Payment	\$3,194.40
Interest Deduction	(\$215.00)
<b>Total Debt</b>	<b>\$4,804.28</b>

# Dream Car vs. Dream Home

## SCENARIO

You bought a \$400K home in 2014 (20% down, 4% rate) and own a truck you bought in 2015. Your mortgage payment is \$3,194.40 and your truck is paid off.

### Dream Home & Budget Car

Keep your truck, sell your home (now worth \$800K) and buy your dream home for \$1.1M. (Full equity of \$545K as down payment, 7% rate)

Car Payment	n/a
Mortgage Payment	\$5,110.46
Interest Deduction	(\$650.00)
<b>Total Debt</b>	<b>\$4,460.46</b>

**BUDGET HOME + DREAM CAR**  
or  
**DREAM HOME + BUDGET CAR?**

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For every **\$50,000** in car debt at today's rates, you're actually losing **\$200,000** in home purchasing power.

