

# YOUR NEW HOME JOURNEY

## DTI: DEBT-TO-INCOME RATIO

Calculating your debt-to-income ratio (DTI) will help you understand where you are—and maybe where you need to be—before applying for a home loan. Lenders refer to DTI and credit history as measures of a borrower's ability to handle a monthly mortgage payment and repay the loan.



### Debt

Include monthly minimum payments on recurring debt.

\$ \_\_\_\_\_ **Housing Expenses** (mortgage/rent, HOA dues, etc., but not utilities.)  
\$ \_\_\_\_\_ **Auto Loans**  
\$ \_\_\_\_\_ **Credit Cards** (use minimum payment)  
\$ \_\_\_\_\_ **Student Loans**  
\$ \_\_\_\_\_ **Personal/Private Loans**  
\$ \_\_\_\_\_ **Medical Bills**  
\$ \_\_\_\_\_ **Child Support**  
\$ \_\_\_\_\_ **Other:** \_\_\_\_\_  
\$ \_\_\_\_\_ **Total Monthly Debt**



### Income

Include monthly gross salary (before taxes) and any other monthly income. You may not have all of the types of income shown.

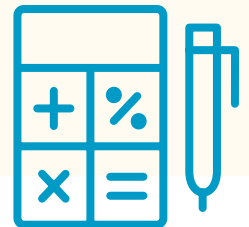
\$ \_\_\_\_\_ **Salary**  
\$ \_\_\_\_\_ **Social Security**  
\$ \_\_\_\_\_ **Retirement**  
\$ \_\_\_\_\_ **Child Support**  
\$ \_\_\_\_\_ **Alimony**  
\$ \_\_\_\_\_ **Other:** \_\_\_\_\_  
\$ \_\_\_\_\_ **Total Monthly Income**



### Calculation

Divide Total Monthly Income by Total Monthly Debt to get your DTI ratio.

\$ \_\_\_\_\_ **Total Monthly Debt**  
/\$ \_\_\_\_\_ **Total Monthly Income**  
\_\_\_\_\_ **% DTI**



## How Do You Stack Up?

### 0% - 20% | Excellent

Lenders typically view borrowers in this range as low risk for lending.

### 21% - 35% | Manageable

Relative to your income, borrowers in this range most likely have manageable payments, and should be able to assume more debt with little concern.

\*This calculator is a general measure of DTI. Each lender sets its own standards for DTI requirements, which may vary.

### 36% - 49% | Some Concern

Borrowers in this range are usually managing their debt adequately, but may experience difficulty adding larger payments. If you're here, lowering your DTI prior to applying for a loan may make you a more favorable candidate.

### 50% + | Concern

Borrowing options are usually limited for consumers in this range. You may not have much money left to save or to cover normal or unforeseen expenses.



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