

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.

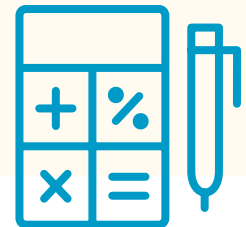
\$ _____ **Salary**
 \$ _____ **Social Security**
 \$ _____ **Retirement**
 \$ _____ **Child Support**
 \$ _____ **Alimony**
 \$ _____ **Other:** _____
 \$ _____ **Total Monthly Income**



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.

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.

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



**SPACE COAST
CREDIT UNION**

Your life. Your financial watchdog.

Mortgage loans are originated by Space Coast Credit Union, and are subject to credit approval, verification and collateral evaluation. Our usual credit criteria and certain conditions apply.

SCCU.com/HomeLoans

Call 800-447-7228 Ext. 8976



MKT_INFO-DTI_0621

