

(615) 469-0240



## QUICK QUALIFYING

Also known as "figuring your ratios".

**This is an easy way to quickly check to see if you can qualify. Most Lenders (Mortgage Companies) have many investors. If you are CLOSE on the numbers, chances are they may still be able to get you a loan.**

Below is a simple and fast method to determine if you can qualify on an FHA loan. Your credit history and job stability must still be looked at also. Using this method, you will be able to tell immediately if you can qualify JUST on your income and debts.

*This has nothing to do with your credit score.*

*In the examples shown, assume the gross income (before taxes) is \$2,500.00 monthly.*

To figure your **income ratio: (33%)**

**Divide your total monthly house note into your total gross (before taxes) monthly income.**

**This figure CANNOT exceed 33%.**

Example: House note: \$575.00 divided by \$2,500.00 = 23%

**Proposed House Note:** \_\_\_\_\_ **divided by income \$** \_\_\_\_\_  
(House note you are looking for)

**=** \_\_\_\_\_ **% Income Ratio**

To figure your **debt ratio: (45%)**

**Add your house note to your monthly debts, Divide this total by your gross monthly income. This figure CANNOT exceed 45%.**

Example:

House note	\$575.00	
Debts	\$400.00	
Total	\$975.00	Divided by \$2,500.00 = 39%

**Proposed House Note:** \_\_\_\_\_ **PLUS Debts:** \_\_\_\_\_

**divided by income \$** \_\_\_\_\_ **=** \_\_\_\_\_ **% Debt Ratio**

**\*\* Don't forget, payroll deductions such as Credit Union Loans and child support are a debt just like Sears or Visa.**

Conventional loans will have different ratio numbers depending on the investor, however the same formula applies.