What is... Debt to income ratio??

Your debt-to-income ratio (DTI) is your monthly debt payments divided by your gross monthly income. This number is one way lenders measure your ability to manage the monthly payments to repay the money you plan to borrow. It is also the way the lenders determine the maximum loan amount you can get approved for. Your debt to income ratio is made up of two versions: a front end, and a back end. Front end is your gross monthly income VS your total proposed housing payment. The back end is your gross monthly income VS your total monthly payments (housing and all others)

Front End DTI

MONTHLY HOUSING EXPENSE

- Loan Principal & Interest
- Property Tax
- HOA
- Mortgage Insurance (when applicable)

Gross Monthly Income = Front End Ratio

Allowable DTI Ratio is Dependent on the Loan Program Chosen

Back End DTI

MONTHLY HOUSING EXPENSE

Housing Expenses + Other Monthly Obligations

Gross Monthly Income = BACK END RATIO

Edge Mortgage

What is Counted in the Back End DTI

- Student Loans (Currently in repayment)
- Car Loans
- Other Loans (Personal, Boat RV, Ect)
- Credit Cards (Min. Monthly Payments
- Child Support
- Alimony
- IRS TAX Payment Plans
- Liens, Judgment Collections (Currently rePayment

What is NOT Counted in the Back End DTI

- Utilities
- Cell Phone Bill
- Car Insurance
- Obligations with less than 10 month
- Obligations paid for by Your Business
- Debts Co-Signed or Paid for by Other
- Rent on Current Residence
- Student Loans in Deferment (VA Deferment for more than 12 months after Closing)

Max Back End DTI Per Loan Program

49.9%	Conventional
56.9%	FHA
44%	USDA
NO MAX DTI	VA