WORK HARD MORTGAGE
WORKHARDMORTGAGE.COM

INCOME: WHAT YOU NEED TO KNOW BEFORE YOU BUY

WHAT LENDERS ARE LOOKING FOR

- Stability and consistency (usually 2+ years of steady income)
- Verifiable income sources (W-2s, pay stubs, tax returns)
- Type of employment: full-time, part-time, hourly, commission, or self-employed

📝 Tip: Lenders need to see that your income is likely to continue — especially if it comes from commissions, bonuses, or variable hours.

DEBT-TO-INCOME RATIO (DTI)

DTI is the percentage of your monthly income that goes toward debt payments — including your future mortgage.

- Most loan programs want DTI under 43–50%
- Here's a simple example:
- If you earn $5,000/ month and have $2,000 in debt payments, your DTI is 40%

✅ Want help calculating your DTI? Download the worksheet below or schedule a free call.

QUALIFYING VS NON-QUALIFYING INCOME

✅ Qualifying income includes:
- Full-time W-2 wages
- Hourly jobs with consistent hours
- Verified part-time income (2+ years)
- Recurring bonuses or commissions
- Social Security, alimony, or disability (with documentation)

🚫 Not typically qualifying:
- Cash jobs without documentation
- Recently started side hustles
- Inconsistent income (like irregular Venmo/PayPal deposits)
- Unverified bonuses or overtime

WHAT SELF-EMPLOYED BUYERS NEED TO KNOW

Usually need 2 full years of tax returns
- Lenders use your net income, not gross
- Inconsistent or declining income can raise red flags
- Some lenders allow just 1 year of returns with strong credit and savings

💡 Reminder: If you write off a lot on taxes, it may reduce the income a lender can count — even if you're earning plenty.

EQUAL HOUSING OPPORTUNITY

HELPING YOU **WORK HARD** FINANCIALLY SO YOU CAN **PLAY HARD** PERSONALLY.
385.955.5167 - TEAM@WORKHARDING.COM - NMLS #2396714