**Selected Basic Home Loan Eligibility Requirements**

The following are selected “basic” and “typical” home loan requirements (it is not an exhaustive list) and are subject to lender preferences and influenced by factors such as: pre-existing or new build; area cost of living; area median income; area home prices; and legal type of land (such as trust, allotment, or fee simple land). Exceptions do exist for all the following selected home loan eligibility requirements:

* In most states, 18 is the minimum age to get a home loan – although affordability factors in. For many Native Community Development Financial Institutions (NCDFIs), applicants must be tribal members, age 21 or older. There is no upper age limit, though lenders may use age as part of their loan qualification criteria (is retirement income adequate to afford the loan?).

* Loan limits usually vary by area and property type – the median home price in the U.S. is $400,000. In Indian country the current high loan is around $200,000 or the appraised value.
* Any building contractor who will perform work on the home must be a licensed contractor.

Applicants must have:

* No prior **uncured** defaults in payment on a mortgage: no more than three defaults in payment on a previous or current mortgage, and no previous foreclosure litigation commenced against them;
* No **outstanding** delinquency with a Tribe or Pueblo;
* A credit score equal to or greater than 620 (with consideration for special circumstances). Credit scores are not considered for Section 184 loans but credit history factors in;
* A debt to income ratio (DTI – or Back End Ratio) that is equal to or less than around 43% (with possible allowances made for special circumstances). This means the total of regular debts (financial obligations with standard monthly payments, including current or potential home mortgage payment, car payment, small loans, and minimum payments on credit cards – but not expenses, such as utilities, food, or other varying expenses) of the applicant must not exceed 43% of his/her/their income. This percentage/ratio is determined by dividing a person’s total ***debt*** by the person’s ***Gross Monthly Income (GMI)*.**
* A mortgage to income ratio (MTI – or Front End Ratio) that is equal to or less than around 28% (with possible allowances made for special circumstances). This means the anticipated monthly loan payment amount must not exceed 28% of the applicant’s monthly income. This ratio is determined by dividing a person’s ***anticipated monthly mortgage payment*** (including taxes, insurance, and any other regular costs such as association fees) by the person’s ***GMI***; and
* A person must have been employed by the same employer for at least one to two years prior to applying **or** has been employed in the same field for more than 2 years **or** can document two years of self-employment income **or** (in certain cases) can somehow demonstrate the likelihood of a continuing ability to repay the home loan.