What Consumers (Don’t) Know About Mortgage Qualification Criteria

About One Half of consumers were unable to provide an answer when asked about key mortgage qualification criteria.

Mortgage Qualification Criteria:

- **Minimum Percent Down Payment Required**: 40%
- **Minimum Credit Score Required**: 54%
- **Maximum Back-End DTI Ratio**: 59%

Percent of Respondents Who Say “Don’t Know”

- **Percent of Respondents Who Chose the Correct Range**
  - 16 percent pick the “1% - 5%” choice bucket
  - 13 percent pick the “620 - 679” choice bucket
  - 5 percent pick the “40% - 49%” choice bucket

Percent of Respondents Who Chose the Correct Range

- **Fannie Mae Requirements**: 3% Minimum Down Payment | 620 Minimum Credit Score | 45% Maximum Back-End DTI Ratio

Influential Sources:

- **Lenders** are cited as the most influential source of getting mortgage advice
  - 33% consider lenders the most influential
  - 64% consider lenders within the top 3 most influential

- **Family & Friends**
  - 20% consider family & friends the most influential
  - 47% consider family & friends within the top 3 most influential

To learn more, read our study: **What do consumers know about the Mortgage Qualification Criteria?**

Fannie Mae considers a number of factors in determining eligibility for its acquisition of loans, including, but not limited to, the borrower’s credit score, LTV ratio, DTI ratio, cash reserves, property type, and loan type, as detailed in its Selling Guide. Fannie Mae takes these and other factors into consideration, and stronger factors may compensate for weaker ones. It is important to understand that requirements are not always fixed or applicable in every case. For instance, HomeReady mortgage permits consideration of income from a non-borrower household member as a compensating factor to allow DTIs up to 50% under certain circumstances. Visit Fannie Mae’s Eligibility Matrix to see an example of how factors are applied.