

Buying a home in Southfield is rarely about just one number, but your credit score often decides how smooth or painful the process feels. I have sat at enough closing tables and enough denial conversations to know that the difference between a 619 and a 620 score can mean thousands of dollars over the life of a loan.

If you are looking at Southfield, or nearby parts of Oakland and Wayne Counties, your credit score does three big things for you. It decides whether a lender will approve you at all, what type of loan you qualify for, and how much you will pay every month for the same house someone else might buy more cheaply.

Let us break that down in a practical, Southfield specific way.

## **Where Southfield Fits in the Michigan Housing Picture**

Southfield sits in Oakland County, just north of Detroit. It is a mix of mid century subdivisions, newer subdivisions from the 1990s and 2000s, condo communities, and a fair number of older homes that have seen multiple rounds of remodeling.

You will hear the same questions over and over from buyers in my experience:

- Are Southfield property taxes high?
- Can I buy a house with a 90k salary?
- Can I afford a 300k house on a 50k salary?
- What credit score is needed for a home loan here?

Property taxes first. Southfield's property taxes are on the higher side compared with many smaller Michigan cities, simply because it is in Oakland County, which is one of the counties in Michigan with the highest property taxes overall. Effective tax rates shift as property values and millages change, but if you compare Southfield to a small town in the Upper Peninsula, you will notice the difference very quickly in your escrow payment.

This matters because lenders look at the whole payment, not just principal and interest. Higher taxes mean a higher required income or a lower maximum loan, especially if your credit score is marginal.

## **The Short Answer: Typical Credit Score Targets Right Now**

Every lender has its own rules, and those rules change with the economy, default rates, and investor appetite. But as of now, here is what I actually see in Southfield area lending offices for owner occupied purchases, assuming your other numbers are reasonably solid.

1. FHA loans: Most lenders want at least a 580 score. Many will unofficially prefer 600 or 620 to make underwriting easier.
2. Conventional conforming loans: A 620 score is the common floor, but you start to see decent interest rates and lower fees around 680 and better pricing above 740.
3. VA loans: Technically, VA does not publish a minimum score, but local lenders usually set their own floor around 580 to 620.
4. USDA loans: In Michigan's eligible rural areas, 640 is a fairly common minimum.

In Southfield itself you are usually looking at FHA, VA, and conventional. USDA is less common due to eligibility maps.

So if you just want a clear target: aim for at least 620, and understand that 680, 700 and 740 are meaningful thresholds where your life gets easier and cheaper.

## Minimum Scores by Loan Type

Here is a simplified snapshot of what many lenders in Michigan use as their working minimums today. These are not legal guarantees, but they match the ranges I see used in pre approvals.

| Loan Type          | Typical Minimum Score | What That Really Means                               |
|--------------------|-----------------------|------------------------------------------------------|
| FHA                | 580                   | Possible with higher costs. 620+ is smoother.        |
| Conventional       | 620                   | Bare minimum. Better pricing from 680, then 740+.    |
| VA                 | 580 - 620             | Depends on lender. Strong income and low debts help. |
| USDA (rural areas) | 640                   | Automated approvals prefer 640 and up.               |

Again, these are typical, not promises. If your score is just below one of these numbers and the rest of your profile is strong, sit with a good loan officer. I have seen approvals at 615 conventional when compensating factors were excellent, and I have also seen denials at 640 when debts were too high and income unstable.

## How Credit Score Interacts With Your Income and Debts

Many buyers fixate on a single question: What credit score is needed for a home loan? The reality is that a 640 score on a conservative debt profile can be more powerful than a 700 score with overloaded credit cards and car payments.

Lenders focus on your debt to income ratio. They usually want your total monthly obligations, including the new house payment, to land below roughly 43 percent of your gross income, sometimes higher if other factors are strong.

Look at a few real world style examples that fit the questions I often hear around Southfield.

A buyer asks: Can I afford a house on a 40,000 dollar salary?

At 40,000 dollars per year, your gross monthly income is about 3,333 dollars. Another variation I hear is: How much should my mortgage be if I make 3,000 dollars a month? Lenders are usually more comfortable if your total house payment, including taxes and insurance, is in the ballpark of 25 to 30 percent of gross income, though they may approve you higher.

So if you earn 3,000 dollars a month, a safer house payment target might be 750 to 900 dollars. In Southfield, where taxes are not tiny, that can be tight unless you have a significant down payment or you look at condos or smaller properties.

The buyer with a 40,000 dollar salary and a 720 score but no other debts is a very different risk from someone with the same income and a 580 score plus two car loans and maxed out cards. The first might get approved for a modest house in Southfield or perhaps a less expensive nearby market. The second might get told to wait and clean things up.

Now take a 90,000 dollar salary. Can I buy a house with a 90k salary? In Southfield, yes, in most cases, especially if your credit score is at least mid 600s and your debts are under control. A 90k income translates to 7,500 dollars a month before taxes. A total house payment around 2,000 to 2,400 dollars is often manageable, which supports a loan in the 300k to 400k range depending on taxes, interest rate, and down payment.

Again, a strong credit score can pull your rate down enough that your monthly payment is 100 to 300 dollars lower on the same purchase price. Over a year, that is a few thousand dollars, solely because of how you handled

credit cards and auto loans in the past.

## What If You Want a High End Home?

I sometimes meet Southfield professionals who are eyeing larger luxury properties in nearby Bloomfield Hills, Birmingham, Novi, or the high end pockets of Farmington Hills. Then the questions shift:

- How much of a down payment do I need for a 1,000,000 dollar house?
- What is the monthly payment on a 900000 mortgage?
- Can I afford a 300k house on a 50k salary if I stretch?

Once you hit price points around 726,200 dollars (the conventional conforming limit for many counties as of 2024, though check the latest year), you are looking at jumbo loans or special products. Jumbo lenders are far less forgiving on credit scores. They commonly expect 700 or 720 as a floor, often higher, with clean histories and strong reserves.

For a 1,000,000 dollar house, many jumbo lenders want at least 10 to 20 percent down. That means 100,000 to 200,000 dollars upfront, plus closing costs. In practice, buyers competing for million dollar homes in Oakland County usually come in with 20 percent or more. So your credit score needs to support a large loan and a large payment.

Let us rough out that 900,000 dollar mortgage. At a 7 percent interest rate on a 30 year term, principal and interest alone would run around 5,985 to 6,000 dollars per month. Add Michigan property taxes, which for a high value property might be 1,000 to 1,400 dollars monthly, plus perhaps 200 to 300 for insurance. You are close to 7,500 to 8,000 dollars a month for the total payment.

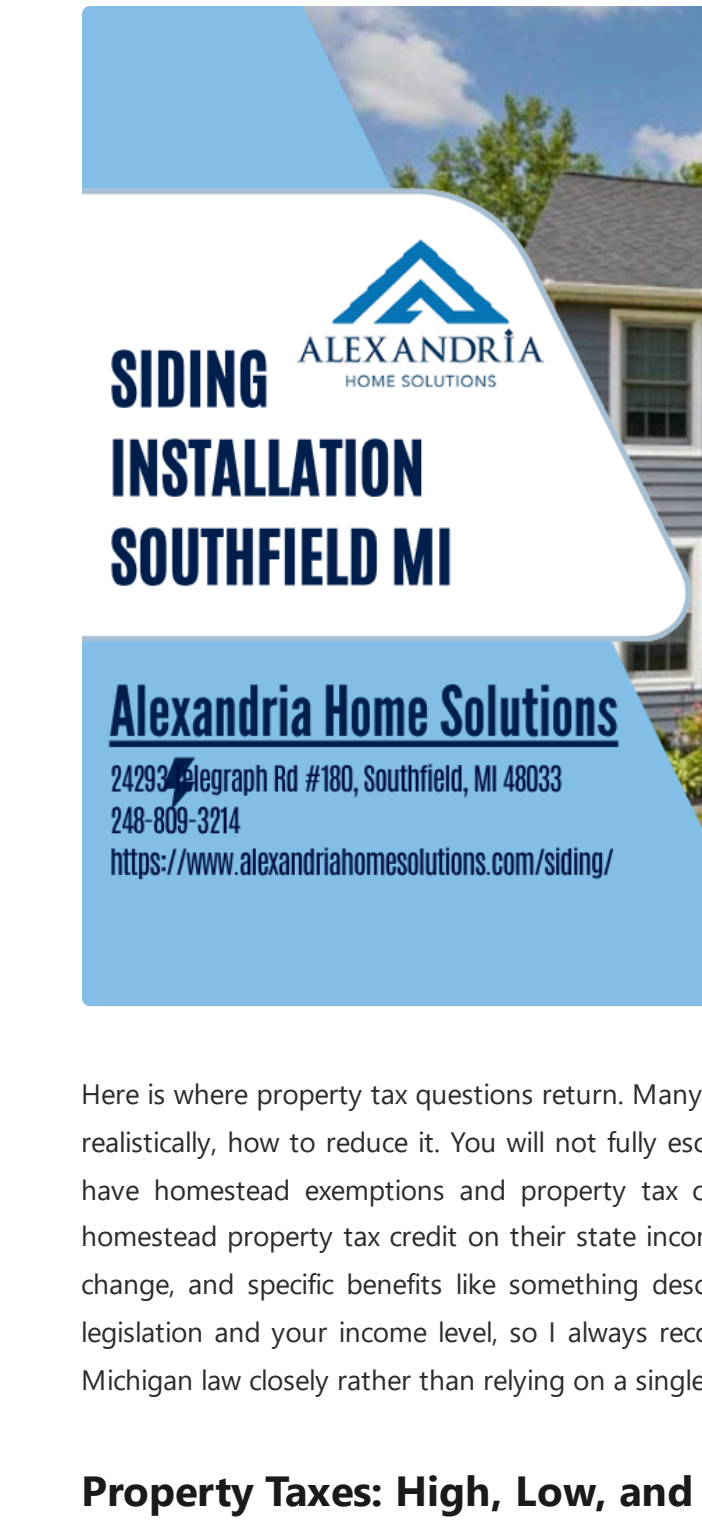
Without a strong six figure income and an excellent credit score, that loan simply will not pass underwriting, regardless of where the house is.

## Age, Retirement, and Mortgages in Southfield

I work with a surprising number of older buyers who want to move closer to family or downsize. A question that comes up so often it ought to be in the FAQs: Can a 70 year old woman get a 30 year mortgage?

The honest answer is yes, if she qualifies on income, credit, and debts. Federal law prevents lenders from discriminating based solely on age. A lender cannot refuse a 30 year term just because you are 70. What they will do is scrutinize your income sources: Social Security, pensions, retirement account withdrawals, and sometimes part time work. Your credit score still matters just as much, sometimes more, because older borrowers may rely heavily on fixed income.

Do most retirees have their home paid off? Not anymore. Plenty do, but a growing number carry smaller mortgages into retirement, especially in higher tax markets like Southfield or in cases where they pulled equity out for kids' college or medical expenses. For retirees who still owe, the key is making sure the payment fits comfortably within fixed income and that credit scores are protected. Late mortgage payments can hammer a score, quickly limiting future options for refinancing or downsizing.



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Here is where property tax questions return. Many seniors ask: How to not pay property tax in Michigan, or, more realistically, how to reduce it. You will not fully escape property taxes on a primary residence, but Michigan does have homestead exemptions and property tax credit programs. Some low income seniors may qualify for a homestead property tax credit on their state income tax [Asphalt roof installation Southfield MI](#) return. Programs change, and specific benefits like something described as a 6,000 dollar senior tax credit depend on evolving legislation and your income level, so I always recommend speaking with a local CPA or tax advisor who follows Michigan law closely rather than relying on a single headline or anecdote.

## Property Taxes: High, Low, and Strange Stories

When you look across the state, which counties in Michigan have the highest property taxes? Historically, Oakland, Washtenaw, Wayne, and parts of Macomb and Kent run higher than rural northern counties. Southfield, being in Oakland County, sits in that higher tier. If someone's primary concern is the cheapest place to buy a house in Michigan or the city in Michigan with the cheapest property taxes, they are usually looking at smaller rural communities in the northern Lower Peninsula or the Upper Peninsula.

The cheapest place to buy a house in Michigan is not one single city. It is an entire cluster of communities where values and taxes are low for a reason: fewer jobs, less growth, less demand. I have seen buyers chase a very low tax bill and then realize that they traded away job options, medical services, and resale demand.

Detroit often shows up in internet searches: Can I buy a house in Detroit for 1000 dollars? Those stories come from tax foreclosure auctions or the Land Bank, where starting bids can be extremely low. What those stories usually leave out is the cost of bringing the property up to code, clearing back taxes or liens in some cases, and the reality that many of those houses nearly collapse without tens of thousands of dollars in repairs. That is a very different path from a financed purchase in a functioning neighborhood in Southfield.

So if you are comparing Southfield to cheaper markets, remember you are paying more in taxes for being in a job rich corridor with stable or growing values. That stability helps protect your investment, provided you buy intelligently and maintain the property.

## How Your House Itself Affects Value and Financing

Lenders care less about the style of your house and more about its appraised value and condition. Still, understanding what devalues a house most can help you avoid mistakes that make financing harder.

From what I have seen, the big value killers in Southfield and nearby suburbs include neglected roofs leading to leaks, foundation or serious structural issues, obvious water intrusion in basements, and poorly executed do it yourself electrical or plumbing work. Cosmetic issues can be fixed, but significant safety or habitability problems can scare both appraisers and underwriters.

For people thinking of building instead of buying existing, there are a few common questions:

- How much money is required for a 1500 sq ft house?
- What style is best for a 1500 sq ft house?
- How many bedrooms should a 2000 sq ft house have?
- What is the most expensive part of building a house?
- What not to skimp on when building a house?

Costs to build swing wildly based on finishes, land, and labor. In many parts of Michigan, a modest 1500 square foot house might cost anywhere from 180,000 to 300,000 dollars or more to build, excluding land, depending on location and current material prices. In higher cost suburbs around Southfield, it is easy to hit the upper end of that range.

For a 1500 square foot home, a compact, open plan ranch or two story style often works best. You can comfortably fit three bedrooms and two baths if you design carefully. At 2000 square feet, most families expect three to four bedrooms and at least two and a half baths. Lenders like homes that match common buyer expectations, because that helps support value on the appraisal.

The most expensive part of building a house is usually the combination of structure and systems: foundation, framing, roofing, windows, and mechanicals. High end finishes can run up the bill, but you will regret cutting corners on framing, waterproofing, electrical, and HVAC much faster than on countertop choices.

If you want a short list of what not to skimp on when building a house, it is structure, insulation and air sealing, roof quality, windows, and mechanical systems. These protect your long term costs and resale value. A future buyer and their appraiser notice a dry basement and a newer high efficiency furnace far more than a trendy backsplash.

I have also learned there are things you should not say to a builder if you want the relationship to go well. Telling a builder you want "the cheapest possible" work, or that you "do not care about permits," or that you "just need it to last until resale" signals you are not aiming for quality. That mindset filters into decisions that will haunt you when a buyer's inspector writes up a long list and the lender starts asking questions.

## Neighborhoods, Mansions, and Local Color

Within Southfield, buyers new to the area often ask: What are the popular neighborhoods in Southfield? Popular spots shift over time, but you will hear people talk about areas near Lathrup Village, the Northland Gardens area,

some of the subdivisions off Lahser and Evergreen, and certain condo complexes that have maintained strong associations. The “best” neighborhood depends on your budget, commute, and lifestyle.

On the other end of the spectrum, some people are simply curious: Who owns the biggest mansion in Michigan? The answer changes as estates are built, sold, or transferred. Meadow Brook Hall in Rochester, the former estate of Matilda Dodge Wilson, is often cited as one of the largest historic mansions in the state. There are also very large private homes, such as well known sports figures’ estates in the Bloomfield area, but ownership details change and are not always public in a clean way. From a lender’s point of view, these are rarefied objects. For most buyers, the focus is on getting a solid, manageable house that fits their lives, not competing with a 30,000 square foot landmark.

## Signs of Where Prices Might Be Heading

You may be wondering: Are there any signs of house prices dropping in 2026 in Michigan? Forecasts beyond a year or so are educated guesses at best. Michigan’s market does not behave exactly like coastal boom and bust cycles. Around Southfield and similar suburbs, you tend to see gradual shifts driven by employment, interest rates, and inventory.

If rates stay elevated or rise, and if more owners decide or are forced to sell, you could see some softening or at least slower price growth heading toward 2026. If rates fall sharply, pent up demand may support prices even if the broader economy cools. The clearest advice I can offer is this: you control your readiness, not the macro market. If your credit score, job stability, and savings are not where they should be, a slight dip in prices will not help, because you still will not qualify.

## Improving Your Credit Score Before You Buy

If your current score is under 620, or if you are hovering in the low to mid 600s and want better terms, a focused six to twelve month effort can make a dramatic difference. Here is a grounded, practical sequence that works better than chasing quick fixes.

1. Pull your full credit reports, not just a free score, so you can see every account and any errors.
2. Focus on reducing credit card balances so that each card reports under 30 percent of its limit, and ideally under 10 percent.
3. Catch up any late payments and then set up automatic payments so nothing goes 30 days late again.
4. Avoid opening new accounts unless there is a compelling, strategic reason, such as building a thin file under guidance.
5. Work with a lender early, even before you are “ready,” so you get tailored advice on which specific accounts matter most to your approval.

The idea is not perfection. It is predictable, responsible patterns over time. Lenders like boring, steady stories in your credit file.

## Matching House Price to Your Income and Score

Bringing this back to Southfield, credit scores, and real affordability, the question is not only what credit score is needed for a home loan, but also what size loan fits your life.

Someone earning 50,000 dollars per year often asks: Can I afford a 300k house on a 50k salary? Under very clean conditions, maybe, but it is a stretch. At 50k, your gross monthly income is about 4,167 dollars. A 300k purchase

with 5 percent down at a typical recent rate might run 2,000 dollars a month all in in Southfield, once you include taxes and insurance. That puts you close to or above 45 percent of gross income. Add a car payment or student loans, and the lender may say no, especially if your credit score is below the high 600s.

If you are at that income level, a more sustainable target might be a house in the 200k to 250k range, depending on taxes and your debts. A strong credit score gives you two advantages here: a lower rate, and often slightly more flexibility on debt to income ratio.

On the lower income side, if you make 3,000 dollars a month, your sweet spot is likely a smaller home, condo, or a property in a lower tax area than Southfield. If you are open to other cities, you might explore parts of Wayne County, or outlying communities with lower assessments, while still minding commute times and services.

On the higher income side, a six figure earner with a 720 score has wide latitude. They can choose between a modest payment and aggressive saving or a bigger house. The key is to avoid letting the lender's maximum approval become your default target. Underwriters approve based on risk models, not on your personal comfort level or your future goals.

## **Final Thoughts: Use Credit Score as a Tool, Not a Verdict**

In Southfield right now, a 620 credit score is often the line between being locked out of many conventional loan options and at least being in the conversation. A 680 score opens doors and improves pricing. A 740 score and up puts you among the most favored borrowers, assuming your income and debts align.

But I have watched buyers with 640 scores end up better off than buyers with 760 scores, simply because the first group chose a home that fit their budget, their commute, and their long term plans. The second group sometimes overreached because the bank said yes.

Use your credit score as a tool to get the best possible terms, not as a verdict on your worth. In Southfield, with its higher property taxes, diverse neighborhoods, and solid job access, the combination of sensible budgeting, realistic price targets, and deliberate credit work will matter more than chasing a perfect number before you take the first step.

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