

Student Loan Guidance per Agency

<p>FNMA</p>	<p>For all student loans, whether deferred, in forbearance, or in repayment (not deferred), a monthly payment must be included in the borrower's recurring monthly debt obligation when qualifying the borrower.</p> <p>If a monthly payment is provided on the credit report, that amount may be used as the monthly payment for qualifying purposes. If the borrower is on an income-driven repayment plan, a student loan documentation that clearly verifies an actual monthly payment is \$0 can then be used.</p> <p>If the credit report does not provide a monthly payment for the student loan, or if the credit report shows \$0 as the monthly payment (which may be the case for deferred loans or loans in forbearance), a qualifying monthly payment must be calculated using one of the options below:</p> <ul style="list-style-type: none"> • 1% of the outstanding student loan balance (even if this amount is lower than the actual fully amortizing payment), OR • a fully amortizing payment using the documented loan repayment terms.
<p>Freddie Mac</p>	<p>Student Loans in Repayment, Deferment or Forbearance:</p> <ul style="list-style-type: none"> • If the monthly payment amount is greater than \$0, use the monthly payment amount reported on the credit report or file documentation, OR • If the monthly payment amount reported on the credit report is \$0, use 0.5% of the outstanding loan balance as reported on credit report. <p>Student loan forgiveness, cancellation, discharge and employment-contingent repayment programs:</p> <p>The student loan payment may be excluded from the monthly DTI ratio provided the Mortgage file contains documentation that indicates the following:</p> <ul style="list-style-type: none"> • The student loan has ten or less monthly payments remaining until the full balance of the student loan is forgiven, canceled, discharged or in the case of an employment-contingent repayment program, paid, OR • The monthly payment on a student loan is deferred or is in forbearance and the full balance of the student loan will be forgiven, canceled, discharged or in the case of an employment-contingent repayment program, paid at the end of the deferment or forbearance period <p>AND</p> <ul style="list-style-type: none"> • The Borrower is eligible or approved for student loan forgiveness, cancellation, discharge or employment-contingent repayment program, and is not aware of any circumstances that will make the Borrower ineligible in the future. Evidence of eligibility or approval must come from the student loan program or the employer, as applicable.
<p>FHA TOTAL and MANUAL</p>	<p>Regardless of the payment status, use either:</p> <ul style="list-style-type: none"> • the greater of: <ol style="list-style-type: none"> a) 1 percent of the outstanding balance on the loan; or b) the monthly payment reported on the Borrower's credit report; • OR the actual documented payment, provided the payment will fully amortize the loan over its term
<p>VA</p>	<p>Student loans will fall into one of the following categories. Follow the appropriate guidance below:</p> <ul style="list-style-type: none"> • A. If the Veteran or other borrower provides documentation that the student loan debt will be deferred at least 12 months beyond the date of closing, a monthly payment does NOT need to be considered. • B. If a student loan is in repayment or scheduled to begin within 12 months from the date of VA loan closing, the anticipated monthly obligation in the loan analysis and utilize the payment established in (B1) or (B2) below must be considered. Calculate each loan at a rate of 5 percent of the outstanding balance divided by 12 months (example: \$25,000 student loan balance x 5% = \$1,250 divided by 12 months = \$104.17 per month is the VA monthly payment for debt ratio purposes). <ul style="list-style-type: none"> • (B1) The Lender must use the payment(s) reported on the credit report for each student loan(s) if the reported payment is greater than the threshold payment calculation above. • (B2) If the payment reported on the credit report is less than the threshold payment calculation above, the loan file must contain a statement from the student loan servicer that reflects the actual loan terms and payment information for each student loan(s). The statement(s) must be dated within 60 days of VA loan closing and may be an electronic copy from the student loan servicer's website or a printed statement provided by the student loan servicer. It is the lender's discretion as to whether the credit report should be supplemented with this information.