

Student Loan Payment Comparison



	FANNIE	FREDDIE	FHA	VA	RD
Student Loan Payment used to Calculate DTI	<p>Include in DTI:</p> <ul style="list-style-type: none"> Monthly payment from credit report <p>or</p> <ul style="list-style-type: none"> 1.0% of loan balance <p>or</p> <ul style="list-style-type: none"> the documented full amortized payment. 	<p>Include in DTI:</p> <ul style="list-style-type: none"> If the monthly payment from the credit report is greater than zero, use that payment or payment from other documentation. 	<p>Include</p> <ul style="list-style-type: none"> the payment amount reported on the credit report <p>or</p> <ul style="list-style-type: none"> The documented payment amount if above zero, but below what is reporting on the credit report <p>or</p> <ul style="list-style-type: none"> 0.5% of the outstanding loan balance, when the monthly payment on the Borrower's credit report is zero. 	<p>Calculate 5% of student loan balance divided by 12... then...</p> <ul style="list-style-type: none"> If calculation is > bureau reported payment, then verify and use payment from lender If calculation is < bureau reported payment, then use bureau payment 	<p>Include the payment as follows:</p> <p>Fixed payment loans: A permanent amortized, fixed payment may be used in the debt ratio when the lender retains documentation to verify the payment is fixed, the interest rate is fixed, and the repayment term is fixed.</p> <ul style="list-style-type: none"> Non-Fixed payment loans: Payments for deferred loans, Income Based Repayment (IBR), Graduated, Adjustable, and other types of repayment agreements which are not fixed cannot be used in the total debt ratio calculation. The higher of one half percent (.50%) of the loan balance or the actual payment reflected on the credit report must be used as the monthly payment in the underwriter decision. No additional documentation is required.
Deferred Student Loan Payment	Use 1.0% of Loan Balance to calculate DTI	<ul style="list-style-type: none"> If payment on credit report is zero, use 0.5% of balance from the credit report. 	<ul style="list-style-type: none"> 0.5% of the outstanding loan balance, when the monthly payment on the Borrower's credit report is zero. 	<p>Student Loan Payments are not included in DTI calculation if payments are deferred over 12 months past the closing date</p>	
Re-payment Plan Federal Student Loans (Income Based)	Use current payment from re-payment plan in DTI to qualify			<p>If Income Based repayment plan has 12 months remaining at the reduced amount the lower amount can be used in DTI</p>	
Re-payment Plan Private Student Loans (Income Based)	Use fully amortized payment in DTI to qualify. Cannot use the minimum from the Re-payment Plan				

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