

## Student Loan Qualifying Matrix

Fannie Mae	Freddie Mac	FHA	VA	RD
<b>Student Loans in Repayment</b>				
<ul style="list-style-type: none"> <li>• If a monthly student loan payment is provided on the credit report, the lender may use that amount for qualifying purposes. If the credit report does not reflect the correct monthly payment, the lender may use the monthly payment that is on the student loan documentation (the most recent student loan statement) to qualify the borrower.</li> <li>• If the credit report does not provide a monthly payment or if the credit report shows \$0 as the monthly payment, the lender must determine the qualifying monthly payment using one of the options below.</li> <li>• If the borrower is on an income-driven payment plan, the lender may obtain student loan documentation to verify the actual monthly payment is \$0 and may qualify with the -0-payment</li> </ul>	<ul style="list-style-type: none"> <li>• Use reported payment on credit report IF payment is fully amortizing.</li> </ul> <p>IF payment IS NOT fully amortizing; use <b>the greater of:</b></p> <ul style="list-style-type: none"> <li>➤ The monthly payment amount reported on the credit report, or</li> <li>➤ 0.5% of the original loan balance or outstanding balance as reported on the credit report, whichever is greater</li> </ul>	<p>Regardless of the payment status, must use either <b>the greater of:</b></p> <ul style="list-style-type: none"> <li>➤ 1 percent of the outstanding balance on the loan; or</li> <li>➤ the monthly payment reported on the Borrower's credit report;</li> </ul> <p>or</p> <p><b>**the actual documented payment, provided the payment will fully amortize the loan over its term**</b></p>	<p>If a student loan is in repayment or scheduled to begin within 12 months from the date of loan closing, count the anticipated payment based on <b>the greater of:</b></p> <ul style="list-style-type: none"> <li>• Calculate each loan at a rate of 5% 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 monthly payment for debt ratio purposes).</li> <li>• Payment on credit report.</li> </ul> <p><b>**However, If the payment reported on the credit report is less than the threshold payment calculation above, the credit report payment may be used as long as the file contains 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 loan closing and maybe an electronic copy from the student loan servicer's website or a printed statement provided by the student loan servicer.</b></p>	<p>Regardless of the payment status, the Mortgagee must use either <b>the greater of:</b></p> <ul style="list-style-type: none"> <li>➤ 1 percent of the outstanding balance on the loan; or</li> <li>➤ the monthly payment reported on the Borrower's credit report; or</li> </ul> <p><b>**the actual documented payment, provided the payment will fully amortize the loan over its term**</b></p>

<b>Student Loans in Deferment</b>				
<p>For deferred loans or loans in forbearance, the lender may</p> <ul style="list-style-type: none"> <li>calculate a payment equal to 1% of the outstanding student loan balance (even if this amount is lower than the actual fully amortizing payment), or</li> <li>A fully amortizing payment using the documented loan repayment terms.</li> </ul>	<p>Use <b>the greater of:</b></p> <ul style="list-style-type: none"> <li>➤ The monthly payment amount reported on the credit report, or</li> <li>➤ 1% of the original loan balance or outstanding balance as reported on the credit report, whichever is greater</li> </ul>	Same as above	<p>If the Veteran or other borrower provides written evidence 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.</p>	Same as above
<b>Student Loan Forgiveness, Cancellation, Discharge/Employment-Contingent Repayment</b>				
<b>Freddie Mac ONLY</b>	<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"> <li>➤ 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</li> <li>➤ 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.</li> </ul> <p>AND</p> <ul style="list-style-type: none"> <li>➤ The Borrower currently meets the requirements for the student loan forgiveness, cancellation, discharge or employment-contingent repayment program, as applicable, and the lender is not aware of any circumstances that will make the Borrower ineligible in the future</li> </ul>			