# Student Loans – By Agency

Overview to Student Loan Guidelines broken down by Agency

# FNMA: B3-6-05 (Monthly Debt Obligations)

| Payment Noted on Credit Report | Yes – Use to qualify | Yes, BUT payment is incorrect – Use payment from student loan documentation to qualify |
|---|---|---|
| Income-Driven Payment Plan | Yes – Obtain student loan documentation showing payment<br>*NOTE: If documentation shows payment is $0, this may be used to qualify | |
| Payment is NOT on Credit Report OR Loan is in deferred/forbearance status | Qualify using *either*:<br>1). 1% of outstanding loan balance<br>2). Fully amortized payment from student loan documentation<br>*NOTE: Guidelines do not specify the greater of these two options must be selected | |

# FHLMC: 5401.2 (Monthly debt payment to income ratio)

| Repayment/Deferment/Forbearance | Payment > $0 – Qualify using payment noted on credit report or other loan documentation | Payment = $0 – Qualify using 0.5% of balance noted on credit report or other loan documentation |
|---|---|---|
| Forgiveness/Cancellation/Discharge or Employment-Contingent Repayment | Exclude IF:<br>1). Payment remaining until balance is forgiven/cancelled/discharged/paid < 10 months OR loan is in deferment/forbearance and balance will be forgiven/cancelled/discharged/paid at the end of the deferment/forbearance period<br>***AND***<br>2). Lender confirms borrower is, and will remain, eligible/approved for the student loan forgiveness/cancellation/discharge or Employment-Contingent repayment program<br>*NOTE: Evidence of eligibility/approval must come directly from the student loan program or employer (as applicable) | |

# FHA – 4000.1 (Credit Requirements)

| All student loans payments, regardless of repayment status must be included in qualifying | Qualify user the ***GREATER*** of:<br>1). Payment showing on credit report or Student Loan Documentation<br>2). 0.5% of Loan Balance<br>*NOTE: If payment used in qualifying is LESS than the payment reported on credit, supporting documentation showing the actual monthly payment, payment status, balance and all other terms/conditions is required |
|---|---|
| EXCEPTION: Payments may be excluded if documentation from the student loan program, creditor or loan servicer indicates the balance has been forgiven/cancelled/discharged/paid in full. | |

# VA – VALHB, Chapter 4, Section 5.f

| Loan in repayment (or payments are scheduled to begin within 12 months of the Note date) | YES – Qualifying using the **_GREATER_** of:<br>1). Payment shown on credit report<br>2). VA Threshold Payment (see below for calculation details) | No (i.e., deferred) – May Exclude payment from qualifying<br>*NOTE: Supporting documentation is required to verify the deferment period<br>*NOTE: Deferment period must be > 12 months from the Note date to exclude |
|---|---|---|
| VA Threshold Calculation: Loan Balance x 5% / 12 = Monthly Payment | | |
| Exception: If the Lender wishes to qualify using the *LOWER* of the credit report payment or VA threshold payment, supporting documentation directly from the student loan servicer must be retained in the loan file (documentation must be dated within 60 days of Note) | | |

# USDA – 3555.1, Chapter 11 (Ratios), Section 7

| Fixed Payment Loans | Yes – Qualify using fully amortized payment<br>*NOTE: Supporting documentation showing the fixed rate and repayment term is required | No – See below |
|---|---|---|
| Non-Fixed Payment Loans (i.e., Income based repayment (IBR) Income contingent (IC), graduated, adjustable, etc.) | Credit report payment > $0 = Yes – Qualify using documented payment under approved repayment plan | Credit report payment = $0 – Qualify using either:<br>1). Documented payment under repayment plan<br>2). 0.5% of balance as shown on the credit report or student loan documentation |

IMPORTANT NOTES:
 - Student loans in the applicants name alone, but paid by another party may NOT be excluded
 - Student loans in a forgiveness plans/program must be fully released in order to exclude