Matrix

Student Loan Repayment Calculations

Agency	Payment Established[1]	Payment Reduced	Payment Deferred
Fannie Mae	If a monthly student loan payment is provided on the credit report, use that amount for qualifying. If the credit report does not reflect the correct monthly payment, use the amount reflected on the student loan documentation to qualify the borrower.	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. The lender may then qualify the borrower with a $0 payment.	For deferred loans or loans in forbearance, the lender may 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* • a fully amortizing payment using the documented loan repayment terms.
Freddie Mac	If the monthly payment amount is *greater than* zero, use the monthly payment amount reported on the credit report or other file documentation supporting an amount greater than zero, *or* If the monthly payment reported on the credit report *is* zero, use .5% of the outstanding balance, as reported on the credit report, unless other documentation in the Mortgage file supports a different current payment amount greater than zero .	In loan forgiveness, cancellation, discharge and employment-contingent repayment programs, the monthly payment amount may be excluded if: • The student loan has 10 or less monthly payments remaining until the full balance of the student loan is forbidden canceled, discharged or 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 paid at the end of the deferment or forbearance period *AND* • The Borrower is eligible or approved, as applicable, for the student loan forgiveness, cancelation, discharge or employment-contingent repayment program, and the Seller is not aware of any	If the monthly payment amount is *greater than* zero, use the monthly payment amount reported on the credit report or other file documentation supporting an amount greater than zero, *or* If the monthly payment reported on the credit report *is* zero, use .5% of the outstanding balance, as reported on the credit report, unless other documentation in the Mortgage file supports a different current payment amount supporting an amount greater than zero.

		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. When documentation in the mortgage file indicates the borrower must recertify their income and/or that the borrower's payment will increase prior to or on the first mortgage payment due date, the underwriter must include in the monthly debt payment-to-income ratio: • The greater of the current payment or 0.5% of the outstanding loan balance, or • The documented future payment amount if greater than the current payment, or • The future payment amount that is less than or equal to the current payment, provided that the file contains documentation that the borrower has recertified their income and the future payment amount has been approved. The future payment amount must be greater than zero	
FHA	For outstanding Student Loans, *regardless of payment status*, use: • The payment amount reported on the credit report or the actual documented payment, when the payment amount is **above zero**; ○ Clarification: Either the credit report or the actual documented payment must show a payment amount greater than zero. If EITHER document shows a documented payment, that payment can be used for the DTI calculation. • Or, • If no documented payment can be provided by either the credit report/supplement or documentation from the creditor or loan servicer, use 0.5 percent of the outstanding loan balance, when the monthly payment reported on the Borrower's credit report **is zero**		
VA	If a student loan is in repayment, or scheduled to begin within 12 months from the date of VA loan closing, the lender must consider the anticipated monthly obligation in the loan analysis and utilize the		Exclude payment if deferred for more than 12 months from Note date

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<td>payment established by calculating each loan at a rate of five percent of the outstanding balance divided by 12 months.

If the payment(s) reported on the credit report for each student loan(s) is greater than the threshold payment calculation above, the lender must use the payment recorded on the credit report.

If the payment(s) reported on the credit report is less than the threshold payment calculation above, in order to count the lower payment, 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).</td>
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<tr>
<td>USDA</td>
<td colspan="2">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.
● To use the payment as reflected on the credit report, the above documentation must be provided.

Non-Fixed payment loans
● Payments for deferred loans, Income Based Repayment (IBR), Income Contingent (IC), Graduated, Adjustable, and other types of repayment agreements which are not fixed must use the greater of the following:
○ One half (.50) percent of the outstanding loan balance documented on the credit report or creditor verification, or
○ The current documented payment under the approved repayment plan with the creditor</td>
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[1] *Established payments include payments starting within 12 months of the Note Date.*