



STUDENT LOAN COMPARISON

FANNIE:

- If payment is provided on credit report, use that payment in qualifying.
- If no payment on credit report or if the credit report shows \$0 as the monthly payment, we must determine the qualifying monthly payment using one of the following options:
 1. If the borrower is on an income-driven payment plan, obtain student loan documentation from the servicer to verify the actual monthly payment is \$0 (or actual monthly payment if not \$0) and then qualify borrower with \$0 payment (or actual monthly payment)
 2. For deferred loans or loans in forbearance, use a payment equal to 1% of the outstanding student loan balance or a fully amortizing payment using the documented loan repayment terms.

FREDDIE:

- For student loans in repayment, deferment, or forbearance:
 1. If the monthly payment amount is greater than zero, use the monthly payment amount reported on the credit report or other documentation from the servicer.
 2. If the monthly payment amount reported on the credit report is zero, use 0.5% of the outstanding balance, as reported on the credit report.

FHA:

Regardless of payment status, must use

the greater of:

- 1% of the outstanding balance of the loan on the credit report or the monthly payment reported on the credit report

OR

- The actual documented payment from the student loan servicer provided the payment will fully amortize the loan over its term.

VA:

- If there is written evidence that the student loan debt will be deferred at least 12 mos beyond the closing date, a monthly payment does not need to be considered
- If the student loan is in repayment or scheduled to begin within 12 mos of the date of closing-threshold calculation must be done. Threshold calculation: rate of 5% of the outstanding balance divided by 12 mos (**Example: \$50,000 student loan balance x 5%=\$2500/12 mos=\$208.33 monthly payment for debt ratio purposes**).
 1. If the payment on the credit report is greater than the threshold calculation, then use the payment on the credit report in qualifying
 2. If the payment on the credit report is less than the threshold calculation, 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.

USDA:

- Fixed payment loans in repayment- A permanent, amortized fixed payment may be used when documentation for the student loan servicer is provided that verifies the payment, interest rate, and repayment term is fixed
- Non-fixed payment loans/Loans in deferment/forbearance- 1% of the outstanding loan balance reflected on the credit report must be used as the monthly payment. No additional documentation is required.

