

DU 10.1 : CHEAT SHEET



	DU 10.1	OLD METHOD
Max DTI	50% - Does not apply to all loans but DU 10.1 will approve more loans with 50% ratios	45%
Max LTV on ARMs	95% (1 unit Owner Occupied)	90%
Student Loan Payments	Use Minimum Payment from an Income Base Payment Plan for Federal Student Loans to calculate qualifying ratios and DTI.	Use 1.0% of Student Loan balance to calculate qualifying ratios and DTI
Student Loan Cash Out Refi	No Price Adjustments for Cash Out (LLPAs)	Considered a standard Cash Out Refi
Disputed Trade Lines	Specific instructions will be provided by DU on how to investigate and document the Disputed Trade Line	Borrower required to provide documentation and proof of dispute and resolution
Alimony	Deduct Alimony payment from income	Treat Alimony like a debt
Time Shares	Considered an Installment Loan (regardless of how it is classified on Credit Report)	Classified as a Mortgage Debt
Mortgage Paid by Others	Exclude debt from DTI. Borrower must show proof the Mortgage Debt has been paid by others in last 12 months	Included in DTI
Employment Contracts	Close before borrower's start date (Requirements: 1 unit, owner occupied, purchase, must start in 90 days, fixed base income, no family employers, See Fannie Mae for full details)	Borrower must start job before the loan closes (or the Lender can sell the loan into the secondary market)

To read Fannie DU 10.1 Announcement, go to <https://www.fanniemae.com/content/announcement/sel1706.pdf>



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