

Student Loan Payment Comparison



	FANNIE	FREDDIE	FHA	VA	RD	
Student Loan Payment used to Calculate DTI	Include in DTI: <ul style="list-style-type: none"> Monthly payment from credit report or <ul style="list-style-type: none"> 1.0% of loan balance or <ul style="list-style-type: none"> the documented full amortized payment. 	Include in DTI: <ul style="list-style-type: none"> If the monthly payment from the credit report is greater than zero, use that payment or payment from other documentation. If payment on credit report is zero, use 0.5% of balance from the credit report. 	Include <ul style="list-style-type: none"> the greater of: <ul style="list-style-type: none"> 1.0% of outstanding balance on the loan or <ul style="list-style-type: none"> the actual document payment if the actual documented payment is < 1% of the outstanding balance, the Mortgagee may use the lower payment only if it will fully amortize the loan over its term 	Calculate 5% of student loan balance divided by 12... then... <ul style="list-style-type: none"> If calculation is > bureau reported payment, then verify and use payment from lender If calculation is < bureau reported payment, then use bureau payment 	Include the payment as follows: <ul style="list-style-type: none"> 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. Non-Fixed payment loans: Payments for deferred loans, Income Based Repayment (IBR), Graduated, Adjustable, and other types of repayment agreements which are not fixed cannot be used in the total debt ratio calculation. The higher of one half percent (.50%) of the loan balance or the actual payment reflected on the credit report must be used as the monthly payment in the underwriter decision. No additional documentation is required. 	
Deferred Student Loan Payment	Use 1.0% of Loan Balance to calculate DTI			<ul style="list-style-type: none"> Use the greater of: 1% of the loan balance, or The monthly payment from credit report 	Student Loan Payments are not included in DTI calculation if payments are deferred over 12 months past the closing date	
Re-payment Plan Federal Student Loans (Income Based)	Use current payment from re-payment plan in DTI to qualify			Use full payment in DTI to qualify. Lower monthly payment from the Re-payment Plan cannot be used.	Use full payment in DTI to qualify. Lower monthly payment from the Re-payment Plan cannot be used	
Re-payment Plan Private Student Loans (Income Based)	Use fully amortized payment in DTI to qualify. Cannot use the minimum from the Re-payment Plan			Use full payment in DTI to qualify. Cannot use the minimum from the Re-payment Plan	Use full payment in DTI to qualify. Cannot use the minimum from the Re-payment Plan	

