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**NOTE - Any student loan that has gone to collections should be calculated following the applicable agency's guidance for collection accounts. Do NOT follow the guidance below to calculate a student loan currently in collections.**

**Agency Guidelines**

Loan Type	Guidance
<p><b>FHA</b> <b>(TOTAL and Manual)</b> As of 04/13/2016</p>	<p>Regardless of the payment status, use either:</p> <ul style="list-style-type: none"> <li>• the greater of:               <ul style="list-style-type: none"> <li>▪ 1 percent of the outstanding balance on the loan; <b>or</b></li> <li>▪ the monthly payment reported on the Borrower's credit report;</li> </ul> </li> <li><b>OR</b></li> <li>• the actual documented payment, provided the payment will fully amortize the loan over its term.</li> </ul>
<p><b>VA</b> As of 01/23/2017</p>	<p>If the Veteran or other borrower provides written evidence that the student loan debt will be deferred at least 12 months beyond the date of closing, a monthly payment does NOT need to be considered.</p> <p>If a student loan is in repayment or scheduled to begin within 12 months from the date of VA loan closing, MiMutual must consider the anticipated monthly obligation in the loan analysis and utilize the payment established in the applicable option below. Calculate each loan at a rate of 5 percent of the outstanding balance divided by 12 months (example: \$25,000 student loan balance x 5% = \$1,250 divided by 12 months = \$104.17 per month is the monthly payment for debt ratio purposes).</p> <ul style="list-style-type: none"> <li>• MiMutual must use the payment(s) reported on the credit report for each student loan if the reported payment is greater than the threshold payment calculation above.</li> <li>• If the payment reported on the credit report is less than the threshold payment calculation above, 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. The statement(s) must be dated within 60 days of VA loan closing and may be an electronic copy from the student loan servicer's website or a printed statement provided by the student loan servicer. It is MiMutual's discretion as to whether the credit report should be supplemented with this information.</li> </ul>
<p><b>USDA</b> As of 9/23/2019</p>	<p>The payment must be included as follows:</p> <ul style="list-style-type: none"> <li>• <b>Fixed Payment Loans:</b> A permanent amortized, fixed payment may be used in the debt ratio when MiMutual obtains documentation to verify the payment is fixed, the interest rate is fixed, and the repayment term is fixed.</li> <li>• <b>Non-Fixed Payment Loans:</b> Payments for deferred loans, Income Based Repayment (IBR) plans, graduated plans, adjustable rates, 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 (0.50%) of the loan balance or the actual payment reflected on the credit report must be used as the monthly payment in the underwriter's decision. No additional documentation is required.</li> </ul>



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Agency Guidelines	
Loan Type	Guidance
<p><b>Conventional Fannie Mae</b> As of 07/25/2017</p>	<p>If a monthly student loan payment is provided on the credit report, MiMutual may use that amount for qualifying purposes. If the credit report does not reflect the correct monthly payment, MiMutual may use the monthly payment that is on the student loan documentation (the most recent student loan statement) to qualify the borrower.</p> <p>If the credit report does not provide a monthly payment for the student loan, or if the credit report shows \$0 as the monthly payment, the qualifying monthly payment must be determined using one of the options below:</p> <ul style="list-style-type: none"> <li>• If the borrower is on an income-driven payment plan, student loan documentation may be obtained to verify the actual monthly payment is \$0. MiMutual may then qualify the borrower with a \$0 payment.</li> <li>• For deferred loans or loans in forbearance, MiMutual may calculate:             <ul style="list-style-type: none"> <li>▪ a payment equal to 1% of the outstanding student loan balance (even if this amount is lower than the actual fully amortizing payment), <b>or</b></li> <li>▪ a fully amortizing payment using the documented loan repayment terms.</li> </ul> </li> </ul>
<p><b>Conventional Freddie Mac</b> As of 01/02/2020</p>	<p>For student loans in repayment, deferment, or forbearance:</p> <ul style="list-style-type: none"> <li>• If the monthly payment amount is greater than zero, use the monthly payment amount reported on the credit report or other file documentation, <b>or</b></li> <li>• If the monthly payment amount reported on the credit report is zero, use 0.5% of the outstanding loan balance, as reported on the credit report</li> </ul> <p>The student loan payment may be excluded from the monthly DTI ratio, provided the mortgage file contains documentation that indicates the following:</p> <ul style="list-style-type: none"> <li>• The student loan has 10 or less monthly payments remaining until the full balance of the student loan is forgiven, canceled, discharged, or in the case of an employment-contingent repayment program, paid, <b>or</b></li> <li>• 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 in the case of an employment-contingent repayment program, paid at the end of the deferment or forbearance period</li> </ul> <p><b>AND</b></p> <ul style="list-style-type: none"> <li>• The borrower is eligible or approved, as applicable, for the student loan forgiveness, cancellation, discharge, or employment-contingent repayment program, and MiMutual is not aware of any 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.</li> </ul>