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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>FHA (TOTAL and Manual) As of 04/13/2016</p>	<p>Regardless of the payment status, use either:</p> <ul style="list-style-type: none"> the greater of: <ul style="list-style-type: none"> 1 percent of the outstanding balance on the loan; or the monthly payment reported on the Borrower's credit report; <p>OR</p> <ul style="list-style-type: none"> the actual documented payment, provided the payment will fully amortize the loan over its term.
<p>VA 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"> 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. 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.
<p>USDA As of 9/17/2020</p>	<p>The payment must be included as follows:</p> <ul style="list-style-type: none"> Fixed Payment Loans: 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. The fixed payment must fully amortize/pay in full the debt at the end of the term. For example, a student loan with a \$92,538 balance and a stated monthly payment of \$35 is not a fixed term loan. $\\$92,538 / \\$35 = 2,643$ payments (a 220 year term), which is unreasonable. Non-Fixed Payment Loans: Payments for deferred loans, Income Based Repayment (IBR), Income Contingent (IC) plans, graduated plans, adjustable rates, and other types of repayment agreements which are not fixed must use the greater of the following: <ul style="list-style-type: none"> One half percent (0.50%) 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. <p>Student loans in the applicant's name alone but paid by another party remain the legal responsibility of the applicant. The applicable payment must be included in the monthly debt.</p> <p>Student loans in a "forgiveness" plan/program remain the legal responsibility of the applicant until they are released of liability from the creditor. The applicable payment must be included in the monthly debt.</p>



Agency Guidelines	
Loan Type	Guidance
<p>Conventional Fannie Mae 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"> • 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. • For deferred loans or loans in forbearance, MiMutual may calculate: <ul style="list-style-type: none"> ▪ 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.
<p>Conventional Freddie Mac As of 01/02/2020</p>	<p>For student loans in repayment, deferment, or forbearance:</p> <ul style="list-style-type: none"> • If the monthly payment amount is greater than zero, use the monthly payment amount reported on the credit report or other file documentation, or • 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 <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"> • 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, 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 in the case of an employment-contingent repayment program, paid at the end of the deferment or forbearance period <p>AND</p> <ul style="list-style-type: none"> • 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.