

Temporary Modification of Section 11.2 of HB-1-3555 pertaining to Student Loans

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Temporary Modification of Section 11.2 of HB-1-3555 pertaining to Student Loans.

Effective today the below updated guidance, regarding the required student loan payment requirement, is implemented. This change pertains to the required payment to be utilized for Non-Fixed student loan repayment plans.

- Student loans. Lenders must include the payment as follows:
 - 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.

This modification will be permanently incorporated into Chapter 11 of HB-1-3555 in the near future.

Thank you for your support of the Single Family Housing Guaranteed Loan Program!

Questions regarding this announcement may be directed to the National Office Division at: sfhgld.program@wdc.usda.gov or (202) 720-1452.

USDA LINC Training and Resource Library:

<https://www.rd.usda.gov/programs-services/lenders/usda-linc-training-resource-library>

Help Resources

USDA ITS Service Desk Support Center

For e-Authentication assistance

Email: eAuthHelpDesk@ftc.usda.gov

Phone: 800-457-3642, option 1 (USDA e-Authentication Issues)

Rural Development Help Desk

For GUS system, outage or functionality assistance

Email: RD.HD@STL.USDA.GOV

Phone: 800-457-3642, option 2 (USDA Applications); then option 2 (Rural Development)
