



Announcement: CWL2021-15

Issue Date: June 24, 2021

Effective Date: Case Numbers Assigned on or after June 17, 2021

Attachment: FHA Guidelines

FHA Student Loan Payment Calculation

HUD issued [ML 2021-13](#) announcing updated guidance for student loan payment calculation requirements. While the guidance in the Mortgagee Letter is effective for all case numbers assigned on or after August 16, 2021, lenders may begin using the updated policies immediately. CWL is happy to announce we are aligning with this change, effective with case numbers assigned on or after June 17, 2021.

CWL FHA guidelines have been updated to reflect the following change:

Student loans must be included in the qualifying ratios, regardless of payment type or status of payment. If the payment used for the monthly obligation is less than the monthly payment reported on the borrower's credit report, the lender must obtain written documentation of the actual monthly payment, the payment status, and evidence of the outstanding balance and terms from the creditor or student loan servicer.

- For outstanding student loans, regardless of payment status, use:
 - The payment amount reported on the credit report or the actual documented payment, when the payment amount is above zero; **or**
 - 0.5% of the outstanding loan balance, when the monthly payment reported on the borrower's credit report is zero.
- When there is written documentation from the student loan program, creditor, or student loan servicer that indicates the loan balance has been forgiven, canceled, discharged, or otherwise paid in full, exclude the payment from the borrower's monthly debt calculation.