

**Bulletin # 124**  
May 30, 2017

To: CHFA Lenders  
From: Single Family Underwriting  
Subject: Student Loan Credit Policy for CHFA Conventional Loan Products

CHFA credit policy for calculating Student Loan payments on conventional loan products will follow the Student Loan Payment Calculation policy implemented by Fannie Mae that was announced in Selling Guide Announcement SEL-2017-04 published on April 25, 2017:

**Student Loan Payment Calculation**

“... If a payment is provided on the credit report, that amount can be used for qualifying purposes. If the credit report does not identify a payment amount (or reflects \$0), the lender can use either 1% of the outstanding student loan balance, or a calculated payment that will fully amortize the loan based on the documented loan repayment terms.”

**CHFA ELIGIBLE PRODUCTS:**

- HFA Preferred™
- HFA Preferred™ Uninsured
- HFA Advantage®
- HFA Advantage® Uninsured

CHFA Participating and Correspondent Lenders originating conventional loans *without CHFA Downpayment Assistance Program (DAP) second mortgage loan financing* may follow the FMMA policy regarding “**Debts Paid by Others**” also published in FNMA Selling Guide Announcement SEL - 2017-04:

**Debts Paid by Others**

“...If the lender obtains documentation that a non-mortgage debt has been satisfactorily paid by another party for the past 12 months, then the debt can be excluded from the debt-to-income ratio. This policy applies regardless of whether the other party is obligated on the debt.

NOTE: This policy does not apply if the other party is an interested party to the subject transaction (such as the seller or realtor).

**THE ABOVE MENTIONED POLICY CHANGES ARE EFFECTIVE IMMEDIATELY.**

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