

<p>Deferred Loans</p>	<p><u>Deferred Obligations (TOTAL)</u> Deferred Obligations (<i>excluding student loans</i>) refer to liabilities that have been incurred but where payment is deferred or has not yet commenced, including accounts in forbearance. The Mortgagee must include deferred obligations in the Borrower's liabilities.</p> <ul style="list-style-type: none"> ➤ Documentation - The Mortgagee must obtain written documentation of the deferral of the liability from the creditor and evidence of the outstanding balance and terms of the deferred liability. The Mortgagee must obtain evidence of the anticipated monthly payment obligation, if available ➤ Calculation of Monthly Payment <ul style="list-style-type: none"> • The Mortgagee must use the actual monthly payment to be paid on a deferred liability, whenever available. • If the actual monthly payment is not available for installment debt, the Mortgagee must utilize the terms of the debt or 5 percent of the outstanding balance to establish the monthly payment. • Note: Student loans are no longer a part of "Deferred Obligations" section of HUD Handbook 4000.1. Student loans have separate section and calculation/documentation requirements. <p><u>Student Loans (TOTAL and Manual)</u> (The following update from Mortgagee Letter 2021-13 is effective for all case numbers assigned on or after August 16, 2021 however, mortgagees may begin using the policy immediately. The mortgagee must include all student loans in the borrower's liabilities, regardless of the payment type or status of payment.</p> <ul style="list-style-type: none"> ➤ Required Documentation If the payment used for the monthly obligation is less than the monthly payment reported on the Borrower's credit report: <ul style="list-style-type: none"> ◆ 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 ➤ Calculation of Monthly Obligation Regardless of the payment status, the mortgagee must use either: <ul style="list-style-type: none"> • The payment amount reported on the credit report or the actual documented payment, when the payment amount is above zero, or .50% of the outstanding loan balance, when the monthly payment reported on the Borrower's credit report is zero.
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