



WHOLESALE ANNOUNCEMENT 2022-54

October 25, 2022

USDA Guidelines Updates

Effective Date

Effective immediately

Guideline Updates:

USDA

The Total Debt Ratio

Clarified that payment amounts listed on the credit report will be used in the Total Debt Ratio, unless verification is obtained which supports an alternate payment amount.

Student Loans

Revised to indicate that for all outstanding student loans, regardless of the payment status, lenders must use:

The payment amount reported on the credit report or the actual documented payment, when the payment is above zero; or

One half (.50) percent of the outstanding loan balance documented on the credit report or creditor verification, when the payment amount is zero

Debt Ratio Waivers and Compensating Factors

Purchase Transactions: Debt Ratio Waivers

Clarified that for GUS Refer, Refer with Caution, and manually underwritten loans without GUS assistance, supporting documentation for compensating factors is provided to the Agency and maintained in the lender's permanent file. In addition, the sub-bullet referencing payment shock as a compensating factor was removed.

Refinance Transactions: Debt Ratio Waivers

Removed the sub-bullet referencing payment shock as a compensating factor for GUS Refer, Refer with Caution, and manually underwritten loans without GUS assistance.

OBLIGATIONS NOT INCLUDED IN DEBT-TO-INCOME RATIOS

Added "Medical Payments" to the list of obligations not included in total debt-to-income ratio calculations.

[USDA Guideline link](#) is posted on the [Wholesale Knowledge Center](#)

**Should you have any questions, please reach out to your
Account Executive or Client Manager**