



ANNOUNCEMENT

Announcement Number: 21-15
Date: July 9th, 2021
Subject: FHA Student Loan Debt Policy Update

Effective immediately, South State Bank will support the use of the new FHA Student Loan Payment Calculation detailed in [ML 2021-13](#).

Student Loan Policy – Required Documentation

- If the payment used for monthly obligation is less than the monthly payment reported on the borrower's credit report, documentation of the actual payment, payment status and outstanding balance and terms must be obtained from the creditor or student loan servicer.
- Payment may be excluded from the Borrower's monthly debt calculation where written documentation from the student loan program, creditor or student loan servicer indicates that the loan balance has been forgiven, canceled, discharged or otherwise paid in full.

Calculation of Monthly Obligation

For outstanding student loans, regardless of payment status, the following must be used:

- The payment amount reported on the credit report or the actual documented payment, when the amount is above zero; OR
- 0.50% of the outstanding loan balance, when the monthly payment reported on the Borrower's credit report is zero.

Please contact your Account Executive with any questions.