

A 30-day charge or open-end accounts require the balance to be paid in full every month.

| Fannie Mae | Freddie Mac | FHA | VA | USDA |
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| Selling Guide B3-6-05 & 07 | Selling Guide 5401.2(a)5 | 4000.1 II.A4.b.iv.(K), II.A.5.a.iv.(J) | Lenders Handbook Chap 4, 5 (h) | 3555 Chap 11.2(B) |
| <ul style="list-style-type: none"> Does not require monthly payment to be included in DTI calculation. For open 30-day charge accounts that do not reflect a monthly payment on the credit report, or 30-day accounts that reflect a monthly payment that is identical to the account balance, lenders must verify borrower funds to cover the account balance. The verified funds must be in addition to any funds required for closing costs and reserves. <p><i>Note: DU will include the balance of the 30-day charge accounts on the loan application, in the Reserves Required to be Verified amount shown on the DU Underwriting Findings report. However, for transactions that do not require the verification of reserves, the balance of 30-day charge accounts in the Reserves Required to be Verified amount will be reduced by any cash out the borrower will receive through the transaction.</i></p> <ul style="list-style-type: none"> If the borrower paid off the account balance prior to closing, the lender may provide proof of payoff in lieu of verifying funds to cover the account balance. | <ul style="list-style-type: none"> Monthly payments on open-end accounts (accounts which require the balance to be paid in full monthly) are not required to be included in the monthly debt payment if the Borrower has sufficient verified funds to pay off the outstanding account balance. The funds must be in addition to any funds used to qualify the Borrower for the Mortgage transaction. | <ul style="list-style-type: none"> The lender must verify the Borrower paid the outstanding balance in full on every 30-Day Account each month for the past 12 months. 30-Day Accounts that are paid monthly are not included in the Borrower's DTI. If the credit report reflects any late payments in the last 12 months, the lender must utilize 5 percent of the outstanding balance as the Borrower's monthly debt to be included in the DTI. The lender must use the credit report to document that the Borrower has paid the balance on the account monthly for the previous 12 months. The lender must use the credit report to document the balance and must document that funds are available to pay off the balance in excess of the funds and Reserves required to close the Mortgage. | <ul style="list-style-type: none"> Determine if the borrower(s) pays the balance in full each month and has verified funds to cover the account balance in addition to any funds required for closing costs. If there are sufficient funds, the payment does not need to be included in Section D of the VA Form 26-6393, Loan Analysis, but the obligation should continue to be listed. If there are not sufficient funds, a minimum payment of 5 percent of the balance should be considered included in Section D of the VA Form 26-6393, Loan Analysis. | <ul style="list-style-type: none"> The lender may utilize the credit report to document that the applicant has paid the outstanding balance for the previous 12 months. 30-day accounts that are paid monthly, in full, are not included in the total debt ratio. If the credit report reflects late payments in the last 12 months, the lender must include five percent of the outstanding balance in the monthly debts. |

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