

**FANNIE MAE**

**Social Security Benefits Documentation and Continuance.**

The Selling Guide states that Social Security benefits for retirement and long-term disability may be expected to continue for three years, making the need for additional documentation unnecessary. However, Social Security benefits received on behalf of another beneficiary or under another's Social Security account or work record may not necessarily continue for three years. In these instances, documentation of continuance will be required. For example, a borrower may use Social Security income that is received by a dependent (such as a minor or disabled dependent) for qualifying purposes if three-year continuance of that income can be documented. A table has been added to the Guide that describes the specific documentation requirements depending on the type of Social Security benefit received.

**Ann. SEL-2013-04:  
Selling Guide Updates  
(05/28/13)**

**FREDDIE MAC**

**Retirement income**

Retirement income may be considered qualifying income if the Mortgage file contains evidence of the type of retirement income (e.g., Social Security, pension, annuity), source, amount and consistent receipt for the most recent two months. Retirement income must be likely to continue for at least the next three years.

**Long-term disability income**

Long-term disability income (e.g., Social Security disability benefits, VA disability compensation, worker's compensation, private disability insurance) may be considered qualifying income that has a reasonable expectation of continuance unless there is a pre-determined insurance and/or benefit expiration date that is less than three years (e.g., stated termination of a private disability insurance policy). Pending or current re-evaluation of medical eligibility for insurance and/or benefit payments is not considered an indication that the insurance and/or benefit payment will not continue. Evidence of the source, amount, insurance and/or benefit type, and consistent receipt for the most recent two months must be obtained.

**Social Security Supplemental Security Income**

Social Security Supplemental Security Income (SSI) may be considered as qualifying income that has a reasonable expectation of continuance unless there is evidence that the benefits will not continue. Pending or current re-evaluation of medical eligibility for benefit payments is not considered an indication that the insurance and/or benefit payment will not continue. Evidence of the source, amount, benefit type and consistent receipt for the most recent two months must be obtained.

**Chapter 37:  
Underwriting the  
Borrower, 37.13:  
Stable monthly income  
and asset qualification  
sources (11/15/13)**

**FHA**

**The following guidance replaces HUD Handbook 4155.1, 4.D.2.k, in its entirety.**

All income from the Social Security Administration (SSA) including, but not limited to, Supplemental Security Income (SSI), Social Security Disability Insurance (SSDI), and Social Security Income, can be used to qualify the borrower if the income has been verified, and is likely to continue for at least a three year period from the date of mortgage application.

The lender must verify income by obtaining from the borrower any one of the following documents:

- *Federal tax returns;*
- *the most recent bank statement evidencing receipt of income from the SSA;*
- *a Proof of Income Letter, also known as a "Budget Letter" or "Benefits Letter" that evidences income from the SSA (Please visit [www.ssa.gov](http://www.ssa.gov) for an explanation of types of letters issued by the SSA); or*
- *a copy of the borrower's Social Security Benefit Statement, SSA-1099/1042S.*

In addition to verification of income, the lender must document the continuance of this income by obtaining from the borrower (1) a copy of the last Notice of Award letter which states the SSA's determination on the borrower's eligibility for SSA income, or (2) equivalent document that establishes award benefits to the borrower (equivalent document). If any income from the SSA is due to expire within three years from the date of mortgage application, that income may only be considered as a compensating factor.

**ML 2012-15:  
Documentation  
Requirements for  
Income from the Social  
Security  
Administration (SSA)  
(08/17/12)**

**VA**

**Verification of Income from Non-Military Employment**

Social Security Disability Benefits. The Social Security Administration has a program that pays benefits to individuals who cannot work because they have a medical condition that is expected to last at least 1 year. Lenders may use income from this source as qualifying income. It is not necessary to seek a statement from a physician about how long the medical condition will last.

**Circ. 26-12-6: Credit  
Policy Updates  
(08/02/12)**

**RURAL HOUSING**

**Lender Action: Identify, Verify, Calculate and Document Repayment Income to Qualify the Loan; 7 CFR 1980.345 Adequate and Dependable Income.** Non-employment income sources such as child support, alimony, public assistance payments, social security, retirement, etc., can be considered stable to the extent that they are reasonably expected to continue for at least the next three years.

**2013 Administrative  
Notices  
RD AN No. 4714:  
(03/20/13)**

**FHLB - MPF**

**Revised Income Documentation Requirements. Permanent and Temporary Social Security, Disability, Temporary Leave or Public Assistance Income.** Clarification has been added regarding the requirement that the PFI is to verify that Social Security Administration (SSA), disability or other public assistance income will continue a minimum of 3 years only if the income is temporary or has a defined expiration date. SSA income that is permanent, such as retirement or long-term disability, does not have a defined expiration date and therefore is not subject to a determination that the income will continue a minimum of 3 years.

**2012 PFI Notices  
PFI Notice 2012-6  
(12/18/12)**