

10-16-09 NJHMFA Bulletin - Police & Firemen's Retirement System (PFRS) Pension Loans & Debt Ratios

This Bulletin announces the following changes in underwriting standards for the Police & Firemen's Retirement System (PFRS) loan program:

- 1. The maximum Back-End Debt-To-Income Ratio is 45%.**
- 2. All pension loans will be included as debt and calculated in the Back-End Debt-To-Income Ratio.**

Please inform all of your appropriate personnel involved with the PFRS loan process.

This is effective immediately for all loans dated 10/16/09 and beyond. Loans with DU approvals dated prior to 10/16/09 will be accepted under the prior underwriting standards.

These changes are being made due to rising delinquency within the PFRS loan portfolio.