

Announcement #24-49

Date: May 16, 2024

Fannie Mae Selling Notice and Freddie Mac Bulletin 2024-C: Area Median Income Limits 2024

Fannie Mae and Freddie Mac announced the 2024 Area Median Income (AMI) limits with an effective date of May 19, 2024. Pennymac is aligning with these changes.

Fannie Mae

The 2024 AMIs will be implemented in Desktop Underwriter® (DU®) and the [Area Median Income Lookup Tool](#) over the weekend of May 18, 2024, with an effective date of May 19, 2024.

Fannie Mae will apply the AMIs in DU based on the casefile creation date.

- DU will apply the 2024 limits to new DU loan casefiles created on or after May 19.
- Loan casefiles created prior to May 19 will continue to use the 2023 limits.

To ensure loans are not affected by AMI limits that decreased in 2024, Fannie Mae will continue to use the application received date to determine which AMI limit to use when evaluating eligibility for the LLPA waiver.

- Loans with application received dates prior to May 19 will use the 2023 AMI limits, and
- Loans with application received dates on and after May 19 will be subject to the 2024 AMI limits for the purpose of applying the waiver.

Please refer to "[Fannie Mae Selling Notice – Area Median Incomes 2024](#)" for additional information and requirements.

Freddie Mac

Loan Product Advisor® (LPA) will be updated on May 19, 2024, to reflect the 2024 Area Median Income limits. LPA will apply the new AMI limits for Home Possible loan submissions and resubmissions as follows:

- If the mortgaged premises is in a county where the AMI has decreased and the loan is submitted before May 19, LPA will apply the higher 2023 AMI so that the loan will remain eligible if there are no changes in the borrower's circumstance, no changes in the property condition and the loan was originally an eligible Home Possible mortgage.
- If the mortgaged premises is in a county where the AMI has increased and the loan is submitted before May 19, LPA will apply the higher 2024 AMI in determining eligibility for Home Possible mortgages.

For assessment of credit fee caps and credits, the AMI percent is calculated using the following:

- For LPA mortgages, the higher AMI as of the note date or the AMI used in the last LPA submission

In addition, the following will be updated on May 19, 2024, to reflect the updated limits:

- Home Possible® Income & Property Eligibility tool
- Area Median Income and Property Eligibility tool
- Income Limits and Affordable Check APIs

Please refer to the Freddie Mac "[Qualify More Borrowers: Updated AMI Limits Released](#)" news article for additional information and requirements.

Pricing Impact

- Pennymac will be aligning with the new 2024 AMI values for pricing effective Monday, May 20, 2024.
- For First Time Home Buyer and Duty to Serve LLPA waivers: If a loan is locked that does not qualify for the LLPA waiver under 2024 limits, but meets Fannie Mae or Freddie Mac requirements to apply 2023 limits, once the loan is delivered, email a copy of the AUS cert to the lock desk and request an adjustment to pricing.

Please contact your Sales Representative with any questions.