



Announcement: CWL2021-11

Issue Date: June 8, 2021

Effective Date: Varies – Refer to announcement below

Attachment: HomeReady Guidelines; Home Possible Guidelines

DU and LPA Area Median Incomes 2021

Fannie Mae

During the weekend of June 5th, the 2021 AMIs were implemented in Desktop Underwriter (DU). DU will apply the 2021 limits to new DU loan casefiles created on or after June 5, 2021. Loan case files created prior to June 5, 2021 will continue to use the 2020 limits.

Area Median Income estimates (AMIs) are provided to Fannie Mae by the Federal Housing Finance Agency (FHFA). These AMIs are used in determining borrower eligibility for HomeReady mortgage loans.

Freddie Mac

Loan Product Advisor and the Home Possible Income & Property Eligibility tool will be updated on June 16, 2021 to reflect area median income (AMI) limits.

The FHFA provides the AMI estimates to Freddie Mac, which is used to determine if the borrower’s annual qualifying income meets Home Possible Mortgage eligibility requirements.

Loan Product Advisor will apply the updated 2021 AMI limits as follows:

Loan Product Advisor determination of Home Possible eligibility	
<u>IF</u> the mortgage is submitted as a Home Possible Mortgage on or after June 16, 2021	<u>THEN</u> the following income limits are applied...
For the following resubmissions: <ul style="list-style-type: none"> • The last submission before the effective date was also a Home Possible Mortgage, and • The income limits were met 	The better of the following income limits: <ul style="list-style-type: none"> • 2020 AMI limits at 80% of the AMI OR • 2021 AMI limits at 80% of the AMI
For the following submissions: <ul style="list-style-type: none"> • The mortgage is submitted for the first time • The Key Number cannot be identified, or • The last submission before the effective date was not submitted as Home Possible and/or did not meet the income eligibility limits 	2021 AMI limits at 80% of the AMI