



Announcement

Announcement # 19-63

Date: November 27, 2019

Topic: Fannie Mae and Freddie Mac Conforming Loan Limit Increase

The Housing and Economic Recovery Act of 2008 (HERA) established the baseline loan limit of \$417,000 and requires this limit to be adjusted each year to reflect the changes in the national average home price.

Effective immediately, PennyMac is aligning with the conforming loan limit increases for standard and high balance loans, as announced by Fannie Mae and Freddie Mac. In most areas, the 1-unit standard balance limit is increasing from \$484,350 to \$510,400 and the 1-unit high balance limit is increasing from \$726,525 to \$765,600. Loan amounts vary by area and unit, with complete details located at: <http://www.fhfa.gov/DataTools/Downloads/Pages/Conforming-Loan-Limits.aspx>

PennyMac will accept DU or LPA Approve/Ineligible decisions, when the "ineligible" result is solely due to the loan amount being in excess of the 2019 limits, but is within the 2020 limits.

LPA will be updated December 4th, and DU will be updated the weekend of December 7th with the new loan limits.

In addition, the minimum loan amount for Jumbo Loans is being increased to \$1 above the standard balance loan limit, or \$510,401.

Please contact your Sales Representative with any questions.