

Announcement # 24-20

Date: March 5, 2024

FHA Non-Borrowing Spouse Clarification

FHA requires the debt of a non-borrowing spouse (NBS) to be included on the URLA and included in the qualifying debt ratios if:

- The NBS currently resides in a community property state; or
- The property being purchased is located in a community property state.

Pennymac confirmed the above with FHA and have updated our guidelines accordingly. Please refer to the examples below for guidance.

Example 1:

- The NBS resides in California at the time of application, which is a community property state, and the new primary residence (subject property) is in Georgia, which is not a community property state.
- The NBS's debt must be included in the qualifying ratios

	Current Residence	Subject Property	Include NBS Debt?
Borrower	California (CP)	Georgia (NCP)	Yes
Non-Borrowing Spouse	California (CP)	Georgia (NCP)	

Example 2:

- The NBS resides in New Jersey at the time of application, which is a non-community property state, and the new primary residence (subject property) is in Texas, which is a community property state.
- The NBS's debt must be included in the qualifying ratios

	Current Residence	Subject Property	Include NBS Debt?
Borrower	New Jersey (NCP)	Texas (CP)	Yes
Non-Borrowing Spouse	New Jersey (NCP)	Texas (CP)	

Please contact your Sales Representative with any questions.