



First Time Home Buyer and Duty to Serve Credit Fee Cap Support

Pennymac Correspondent Group

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Overview

The Pennymac pricing portal is able to accurately price and lock Best Efforts loans eligible for Freddie Mac and Fannie Mae's Credit Fee Caps that were implemented in late 2022 in order to promote equitable access to affordable housing.

Categories eligible for Credit Fee Caps based on Area Median Income and Duty to Serve Requirements

- **First Time Home Buyer + AMI requirements**
 - At least one borrower is a First Time Home Buyer
 - AMI is $\leq 100\%$, or $\leq 120\%$ in High Cost areas
 - Primary Residence/Owner Occupied
- **Duty to Serve + Manufactured Home Property Type**
 - AMI is $\leq 100\%$
 - Primary Residence/Owner Occupied
 - Purchase or No Cash Out Refinance
 - Manufactured Home Property Type
- **Duty to Serve + High Needs Rural**
 - AMI is $\leq 100\%$
 - Primary Residence/Owner Occupied
 - Purchase or No Cash Out Refinance
 - Property is in an area identified as High Needs Rural

Credit Fee Cap Category	Occupancy Type	Loan Purpose Type	Property Type	AMI%
First Time Home Buyer	Primary Residence	Purchase	No property type restrictions	$\leq 100\%$
				$\leq 120\%$ High Cost Area
Duty to Serve Manufactured Homes		Purchase	Manufactured Home	$\leq 100\%$
		No Cash Out Refinance		
Duty to Serve High Needs Rural		Purchase	Property must be in a High Needs Rural Area.	$\leq 100\%$
		No Cash Out Refinance		

P3 Pricing Portal

New fields added to P3 Pricing Portal to support Credit Fee Caps

- LLPA Waiver Eligible Checkbox
- Total Gross Monthly Income Amount Field

Mortgage Details

Underwriting Method Delegated	Mortgage Type * Conventional	Loan Purpose * Purchase
Document Type * Full	Amortization Type * Fixed	Amortization Term (months) * 360
ARM Initial Fixed Term (months) Select...	Specialty Product None	<input type="checkbox"/> LLPA Waiver Eligible

Total Gross Monthly Income Amount

GSE Eligibility Tools

Area Median Income and Duty to Serve High Needs Rural Areas eligibility should be confirmed using the GSE's lookup tools.

Freddie Mac: [Area Median Income and Property Eligibility Tool](#)

Example of search and key areas to review for Area Median Income or Duty to Serve eligibility.

County: Seminole County
FIPS Code: 40133583100
50% Area Median Income: \$32,350
80% Area Median Income: \$51,760
100% Area Median Income: \$64,700
120% Area Median Income: \$77,640
140% Area Median Income: \$90,580
High Needs Rural Tract: Yes
Rural tract: Yes
High Cost Area: No

Fannie Mae [Area Median Lookup Tool](#)

Example of search and key areas to review for Area Median Income or Duty to Serve eligibility.

DTS - Duty to Serve
LI - Low Income
VLI - Very Low Income

High Needs Rural Rural County Area

Each Lender must determine borrower and loan eligibility in accordance with the Selling Guide and its Lender Contract. Nothing in this service is intended to vary or modify any of Lender's obligations under its Lender Contract.

Area Median Income: \$64,700
100% Area Median Income (DTS): \$ 64,700
80% Area Median Income (LI): \$ 51,760 ← HomeReady Income Limit
50% Area Median Income (VLI): \$ 32,350
County: Seminole, OK
FIPS 40133583200

Conforming Loan Limits:
1-unit dwelling: \$ 726,200 3-unit dwelling: \$1,123,900
2-unit dwelling: \$ 929,850 4-unit dwelling: \$1,396,800

Special Focus Area(s) - High Needs Rural

First Time Home Buyer + Area Median Income

If the First Time Home Buyer and LLPA Waiver Eligible fields are checked, the system will apply the appropriate Credit Fee Cap. By checking the LLPA Waiver Eligible box, you are stating that eligibility has been confirmed and the loan meets AMI requirements. If income is entered in the Total Gross Monthly Income Amount field, P3 will perform a check to confirm income is within AMI limits.

If the First Time Home Buyer field is checked and Total Gross Monthly Income is entered, but the LLPA Waiver Eligible checkbox is not checked, P3 will look up the AMI, and if eligible the Credit Fee Cap will be applied.

AMI will be checked prior to purchase. If the loan is not eligible, the Credit Fee Cap will be removed from the loan.

Credit Fee Cap Category	Occupancy Type	Loan Purpose Type	Property Type	AMI%
First Time Home Buyer	Primary Residence	Purchase	No property type restrictions	<=100%
				<=120% High Cost Area

Mortgage Details

Underwriting Method: Delegated

Mortgage Type*: Conventional

Loan Purpose*: Purchase

Document Type*: Full

Amortization Type*: Fixed

Amortization Term (months)*: 360

ARM Initial Fixed Term (months): Select...

Specialty Product: None

LLPA Waiver Eligible

First Time Home Buyer

Total Gross Monthly Income Amount

Duty to Serve + Manufactured Home

If the LLPA Waiver Eligible field is checked and the Property Type is Manufactured Housing, P3 will apply the appropriate Credit Fee Cap. By checking the LLPA Waiver Eligible box, you are stating that eligibility has been confirmed and the loan meets AMI requirements. If income is entered in the Total Gross Monthly Income Amount field, P3 will perform a check to confirm income is within AMI limits.

If the Property Type is Manufactured Housing and Total Gross Monthly Income is entered, but the LLPA Waiver Eligible checkbox is not checked, P3 will still look up the AMI, and if eligible the Credit Fee Cap will be applied.

AMI will be checked prior to purchase. If the loan is not eligible, the Credit Fee Cap will be removed from the loan.

Credit Fee Cap Category	Occupancy Type	Loan Purpose Type	Property Type	AMI%
Duty to Serve Manufactured Homes	Primary Residence	Purchase	Manufactured Home	<=100%
		No Cash Out Refinance		

Property Type *
 Manufactured Housing

Occupancy Type *
 Primary Residence

Number of Units *
 1

Mortgage Details

Underwriting Method
 Delegated

Mortgage Type *
 Conventional

Loan Purpose *
 Purchase

Document Type *
 Full

Amortization Type *
 Fixed

Amortization Term (months) *
 360

ARM Initial Fixed Term (months)
 Select...

Specialty Product
 None

LLPA Waiver Eligible

Total Gross Monthly Income Amount

Duty to Serve + High Needs Rural Area

If the LLPA Waiver Eligible field is checked, P3 will apply the appropriate Credit Fee Cap. By checking the LLPA Waiver Eligible field, you are stating that eligibility has been confirmed, the loan meets AMI requirements and the property is in a High Needs Rural Area. If income is entered in the Total Gross Monthly Income Amount field, P3 will perform a check to confirm income is within AMI limits.

P3 will not check if the property is in a High Needs Rural Area at the time of Lock. Property eligibility and AMI will be checked prior to purchase. If the loan is not eligible, the Credit Fee Cap will be removed from the loan.

Credit Fee Cap Category	Occupancy Type	Loan Purpose Type	Property Type	AMI%
Duty to Serve High Needs Rural	Primary Residence	Purchase	Property must be in High Needs Rural Area	<=100%
		No Cash Out Refinance		

Mortgage Details

Underwriting Method: Delegated

Mortgage Type *: Conventional

Loan Purpose *: Purchase

Document Type *: Full

Amortization Type *: Fixed

Amortization Term (months) *: 360

ARM Initial Fixed Term (months): Select...

Specialty Product: None

LLPA Waiver Eligible

Total Gross Monthly Income Amount

**BUILDING THE FUTURE OF HOMEOWNERSHIP BY MAKING IT
POSSIBLE FOR MORE AMERICANS TO ACHIEVE AND
SUSTAIN THEIR ASPIRATION OF HOME OWNERSHIP.**