

Announcement #26-59

Date: June 11, 2026

Freddie Mac Underwriting Updates: Income, Property Taxes, and Property Disclosure Statements

Pennymac is aligning with several underwriting updates announced in Freddie Mac Bulletin 2026-6, that revise requirements for income commencing after the note date, property taxes, and property disclosure requirements. These changes are effective immediately.

Income Commencing After the Note Date

Eligibility has expanded to now include hourly compensation (no longer limited to salary earners), provided earnings are non-fluctuating and:

- **New Employers:** There are a guaranteed minimum number of weekly hours;
- **Current Employers:** Future hourly pay increases may only be used when documentation demonstrates that **both** current and future hours do not fluctuate.

As a reminder, Pennymac will only purchase loans that fall under Freddie Mac's Option One (income commencing after the note date). Loans falling under Option two remain ineligible for purchase.

Property Tax Abatements and Exemptions

A reduced real estate tax amount may be considered in the monthly housing expense-to-income ratio on a primary residence mortgage if all of the following are documented:

- Evidence to support the reduced real estate tax amount.
- Evidence of continuance for at least five years after the note date.
- For future tax abatements (not currently received), evidence of borrower and/or property eligibility for the reduced amount.

If the tax exemption is due to the borrower's age or disability, verifying five years' continuance is not required provided, a predetermined expiration date within five years of the note date does not exist (the exception does not apply to tax abatements).

Property Disclosure Statements

When available on purchase transactions, property disclosure statements must be reviewed for any factors that could adversely impact the property's market value, condition, or marketability. This includes identifying adverse physical deficiencies consistent with C5 or C6 condition ratings. If any such factors or deficiencies are identified during the review, the disclosure statement must be provided to the appraiser.

Please contact your Sales Representative with any questions.

