

Announcement #24-72**Date:** August 16, 2024

Freddie Mac Bulletin 2024-7: Flood Insurance Premium Used for Qualifying

Effective for note dates on and after September 5, 2024, Freddie Mac is updating the Selling Guide to require that if a flood insurance policy on the mortgaged premises shows a full risk premium and a discounted premium, the full risk premium, plus any fees and surcharges, must be:

- Used to calculate the housing expense-to-income (HTI) and debt payment-to-income ratios (DTI), and
- Qualify the Borrower for the transaction.

PennyMac is aligning with this change.

Please refer to Freddie Mac Bulletin 2024-7 and Freddie Mac Selling Guide sections 5401.1 and 5401.2 for additional information and complete requirements.

Please contact your Sales Representative with any questions.