

Announcement #24-82**Date:** September 5, 2024

Freddie Mac Bulletin 2024-12: Flood Insurance Premium Used for Qualifying

Pennymac [announcement 24-72](#) released August 16, 2024, announced alignment to Freddie Mac's [bulletin 2024-7](#) requirements to use the full risk premium, when reflected, on a flood insurance policy:

- to calculate the housing expense-to-income (HTI) and debt payment-to-income ratios (DTI); and
- for qualification.

The change was effective with note dates on or after September 5, 2024. In the Freddie Mac [bulletin 2024-12](#), Freddie Mac announced additional time to implement the change and requirements. Lenders are encouraged to implement immediately but must comply for mortgages with note dates on or after April 1, 2025.

Pennymac is aligning with this change.

Please refer to Freddie Mac Bulletin 2024-12 and 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.