

**Announcement #25-51****Date:** May 16, 2025

## **Fannie Mae Selling Notice and Freddie Mac Bulletin 2025-A: Area Median Income Limits 2025**

Fannie Mae and Freddie Mac announced updated 2025 Area Median Income (AMI) limits with an effective date of May 18, 2025. Pennymac is aligning with these changes.

### **Fannie Mae**

Fannie Mae will implement the 2025 AMI limits in Desktop Underwriter (DU), Loan Delivery, and the [AMI Lookup Tool](#), over the weekend of May 18<sup>th</sup> 2025.

Fannie Mae will apply the AMI limits in DU based on the casefile creation date.

- DU will apply the 2025 limits to new DU casefiles on or after May 18, 2025.
- Loan casefiles created prior to May 18, 2025 will continue to use the 2024 limits.

To ensure loans are not affected by AMI limits that decreased in 2025, Fannie Mae will continue to use the application received date (provided in Fannie Mae Loan Delivery) to determine which AMI limit to use when evaluating eligibility for the LLPA waiver.

- Loans with application received dates prior to May 18, 2025 will use the 2024 AMI limits.
- Loans with application received dates on and after May 18, 2025 will be subject to the 2025 AMI limits for the purpose of applying the waiver.
- **Note:** For HomeReady loans, DU will use the 2024 AMI based on the casefile creation date to determine HomeReady eligibility. Application date AMI will not be used to apply the LLPA waiver.

Please refer to the [Fannie Mae Selling Notice - Area Median Incomes 2025](#) for additional information and pipeline requirements.

### **Freddie Mac**

Freddie Mac will apply the AMI limits in Loan Product Advisor (LPA) for new loan submissions and resubmissions as follows:

- If the loan was submitted or resubmitted to LPA on or after May 18, 2025, LPA will use the 2025 AMI limits.
- Loans submitted to LPA prior to May 18, 2025 LPA will use the 2024 AMI limits.
- For Home Possible loans, the following applies:
  - If the last LPA submission was before May 18, 2025 and the income limits were met, the loan may use the higher of the 2024 or 2025 AMI limits.

- If the loan was submitted to LPA for the first time on or after May 18 2025, the key number could not be identified, or the last submission prior to May 18, 2025 was not a Home Possible mortgage, the 2025 limits will be applied regardless if the AMI limits have increased or decreased.

Mortgages originated under the First-time Homebuyer and/or Duty to Serve credit fee caps where the mortgaged premises is located in an area where the AMI limit has decreased, Freddie Mac is providing pricing pipeline coverage for credit fee caps:

- The mortgage must have been submitted to LPA before May 18, 2025, and be an Accept Mortgage
- The mortgage must have been originated using the 2024 AMI limits, as described in Bulletin 2024-C, and:
  - The mortgage was eligible for the First Time Homebuyer and/or Duty to Serve Credit Fee Cap, in accordance with Exhibit 19A; and
  - The qualifying income no longer meets the AMI Percent requirement for the First-Time Homebuyer and/or Duty to Serve Credit Fee Caps, based on 2025 Area Median Income limits
- The note date must be on or after May 18, 2025
- The last LPA submission must occur on or after May 18, 2025
- The pricing benefit must have been provided to the Borrower

Refer to [Freddie Mac Bulletin 2025-A](#) for additional requirements.

Freddie Mac loans requiring pipeline pricing protection must be delivered to Pennymac on or before June 30, 2025. The last day for Pennymac to purchase these loans is July 14, 2025.

The following Freddie Mac tools will be updated on May 18, 2025:

- [Home Possible Income and Property Eligibility tool](#)
- [Area Median Income and Property Eligibility tool](#)
- [Income Limits and Affordable Check API's](#)

Please refer to [Freddie Mac Bulletin 2025-A](#) for additional information and requirements including pricing and pipeline coverage impacts.

**Note:**

- The AMI Tools identify high-needs rural census tracts. The rural census tracts (which could influence Duty to Serve determination) will be updated later in the year.
- The AMI data in the GSEs' systems may differ from the AMI estimates posted on the U.S. Department of Housing and Urban Development's website.

**Pricing Impact**

For First Time Home Buyer and Duty to Serve LLPA waivers: If a loan is locked that does not qualify for the LLPA waiver under 2025 limits, but meets Fannie Mae or Freddie Mac requirements to apply 2024 limits, once the loan is delivered, email a copy of the AUS cert to the lock desk and request an adjustment to pricing.

Please contact your Sales Representative with any questions.