

## **FREDDIE MAC HOME POSSIBLE® BORROWER INCOME LIMITS**

Our Freddie Mac Home Possible® offering serves low- and moderate-income Borrowers looking for low down payment options with flexible sources of funds.

Currently, for all Home Possible Mortgages, with the exception of those secured by Mortgaged Premises located in a low-income census tract, the Borrower's qualifying income converted to an annual basis must not exceed 100% of the area median income (AMI). For Mortgaged Premises located in a low-income census tract which is defined as an area where the AMI is at or below 80%, Freddie Mac currently has no income limit.

We are updating our requirements to state that the Borrower's qualifying income, converted to an annual basis, must not exceed 80% of the AMI for the location of the Mortgaged Premises. This change will apply to all Home Possible Mortgages, including those secured by properties in low-income census tracts.

This change will sharpen our focus on serving very low- and low-income Borrowers and First-Time Homebuyers. At the same time, the changes will help us better manage to the overall market environment, regulatory requirements and the interest of taxpayers.

We plan to update Loan Product Advisor® and the Home Possible Income & Property Eligibility tool on July 28, 2019, to reflect the updated Borrower income limits (80% of the AMI), as well as the 2019 AMI limits.

For Manually Underwritten Mortgages, the updated Borrower income limits and the 2019 AMI limits will be effective for Mortgages with Application Received Dates on and after July 28, 2019.

Freddie Mac remains committed to our mission, supporting housing markets with an array of products that provide low down payment options and other flexibilities designed to meet the needs of Borrowers.

The Guide will be updated with our July Selling Bulletin to reflect both updated Home Possible Borrower income limits and the 2019 AMI limits. We will also inform Sellers if there are any changes to the effective date in the July Bulletin.

## **CONCLUSION**

If you have any questions about the changes announced in this Bulletin, please contact your Freddie Mac representative or call the Customer Support Contact Center at 800-FREDDIE.

Sincerely,



**Christina K. Boyle**  
Chief Client Officer  
Single-Family Division