

THDA LENDER NOTICE: #2022-24

May 27, 2022

SUBJECT: 2022 AMI Limit for Freddie Mac's HFA Advantage Program

The Federal Housing Finance Agency (FHFA) recently issued updated area median income (AMI) limits, which are used to determine whether a borrower's annual qualifying income meets the income eligibility requirements for HFA Advantage®. In Tennessee, we are seeing income increases in 94 counties; the only county not seeing an increase is Hickman County.

As a reminder, the borrower's annual qualifying income must be less than or equal to 80% of the AMI for the location of the mortgaged premises for the loan to be eligible under HFA Advantage offerings.

To support the updated AMI limits, Freddie Mac is updating the Home Possible® Income and Property Eligibility Tool on June 2, 2022. Loan Product Advisor® and the Income Limits application programming interface (API) will be updated on June 5, 2022. **This means you may be able to offer HFA Advantage® mortgages to even more borrowers.** Freddie Mac is applying the AMI limits as follows:

- If the mortgaged premises is located in a county where the AMI has declined and you submitted the loan before June 5, Loan Product Advisor will apply the higher 2021 AMI. This means the loan will remain eligible if there are no changes in the borrower's circumstance, no changes in the property condition and the loan was originally an income-eligible Home Possible mortgage.
- If the mortgaged premises is located in a county where the AMI has increased and you submitted the loan before June 5, Loan Product Advisor will apply the higher 2022 AMI in determining possible income eligibility for Home Possible or Refi Possible mortgages.

Loan Product Advisor will apply the updated AMI limits for HFA Advantage® mortgages as follows:

LOAN PRODUCT ADVISORY DETERMINATION OF ELIGIBILITY	
IF the mortgage I submitted as a HFA Advantage mortgage on and after June 5, 2022	THEN the following income limits are applied....
For the following resubmissions: <ul style="list-style-type: none"> • The last submission before the effective date was also a HFA Advantage mortgage, and • The income limits were met 	The better of the following income limits; <ul style="list-style-type: none"> • 2021 AMI limits at 80% of the AMI OR <ul style="list-style-type: none"> • 2022 AMI limits at 80% of the AMI
For the following submissions: <ul style="list-style-type: none"> • The mortgage is submitted for the first time • The Key Number cannot be identified, or • The last submission before the effective date was not submitted as HFA Advantage and/or did not meet the income eligibility limits 	<ul style="list-style-type: none"> • 2022 AMI limits at 80% of the AMI

Additional information can be located on Freddie Mac's [website](#).

If your company is not currently offering the HFA Advantage mortgage loan program, information regarding the approval process and working agreement can be located [here](#).

Questions may be directed to sfask@thda.org or 615-815-2100.