

THDA LENDER NOTICE: #2022-47

November 22, 2022

SUBJECT: Freddie Mac HFA Advantage Program Enhancements

Effective for rate locks on and after December 1, 2022, the income limits are increasing for the HFA Advantage mortgage loan program. Qualifying income inclusions/exclusions still must meet Freddie Mac guidelines. Qualifying income is the maximum income per county based upon the Great Choice Mortgage program [limits for a 3+ person household](#). For example:

Davidson County \$132,020 Knox County \$93,840 Shelby County \$91,414

ULDD Data Point Investor Feature Identifiers for mortgage loans at a 50% or below AMI (VLIP-H56) and at 80% or below AMI (LIP-H55) should continue to be part of the data delivery to THDA at the time of closed loan delivery.

Mortgage Insurance Coverage must comply with the required coverage levels in the following chart:

Area Median Income (AMI)* per Freddie Mac	Loan-to-Value Ratios	Mortgage Insurance Coverage
Less than or equal to 80%	Greater than 95% up to and including 97%	18%
	Greater than 90% up to and including 95%	16%
	Greater than 85% up to and including 90%	12%
	Greater than 80% up to and including 85%	6%
Greater than 80% (See FHLMC Guide Section 4701.1)	Greater than 95% up to and including 97%	35%
	Greater than 90% up to and including 95%	25%
	Greater than 85% up to and including 90%	12%
	Greater than 80% up to and including 85%	6%

Tips for successful delivery of HFA Advantage mortgage loans:

- Verify Assessment Summary reflects Purchase Eligibility is Eligible and Risk Class is Accept.
- Verify Mortgage Details reflects the Offering Identifier as HFA Advantage.
- Verify Affordable Lending And Access To Credit Messages
 - Code FAL0011 will include the Area Median Income for the address submitted
 - Code FAL0002 will determine VLIP and LIP by comparing qualifying income and the AMI where the property is located. If the loan meets Freddie Mac's housing goal of having income at or below 80% or 50% AMI, it will be indicated by the code.
 - Code FAL0008 is the messaging when qualifying income exceeds 80%, this is also a reminder to compare the income to THDA's maximum income limits.
- Verify Mortgage Insurance Messages. PMI Certificate submitted with the file matches according to the income and loan to value chart. HFA Advantage at and below 80% AMI has reduced charter coverage for above 90% LTV offerings.
- [Freddie Mac's Income and Property Eligibility Tool can be used to determine AMI for a property.](#)

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