



Announcement

Announcement # 20-78

Date: November 24, 2020

Topic: Fannie Mae and Freddie Mac Conforming Loan Limit Increase

The Housing and Economic Recovery Act of 2008 (HERA) established the baseline loan limit of \$417,000 and requires this limit to be adjusted each year to reflect the changes in the national average home price.

Effective immediately, PennyMac is aligning with the conforming loan limit increases for standard and high balance loans, as announced by Fannie Mae and Freddie Mac. In most areas, the 1-unit standard balance limit is increasing from \$510,400 to \$548,250 and the 1-unit high balance limit is increasing from \$765,600 to \$822,375. Loan amounts vary by area and unit, with complete details located at:

<http://www.fhfa.gov/DataTools/Downloads/Pages/Conforming-Loan-Limits.aspx>

PennyMac will accept DU or LPA Approve/Ineligible decisions, when the "ineligible" result is solely due to the loan amount being in excess of the 2020 limits, but is within the 2021 limits.

LPA will be updated December 13th, and DU will be updated the weekend of December 12th with the new loan limits.

Please contact your Sales Representative with any questions.