

Announcement # 22-44

Date: July 12, 2022

## Freddie Mac Bulletin 2022-11

Pennymac is aligning with the Freddie Mac updates announced in Bulletin 2022-11, with the exception of the use of CHOICERenovation loans for ADUs due to an existing overlay. Updates include but are not limited to the following:

### Mortgages Secured by Properties with an Accessory Dwelling Unit (ADU)

- Previously, a mortgage secured by a property with an ADU was eligible for sale to Freddie Mac *only* if the property was a 1-unit dwelling.
  - Effective immediately, Pennymac is aligning with the expansion to the ADU eligibility requirements to allow one ADU on 2- and 3-unit properties.
- Previously, rental income from an ADU on a 1-unit Primary Residence could be considered for qualifying income only when the borrower had a disability and the rental income was from a live-in aide, or when the loan was a Home Possible Mortgage.
  - Effective immediately, Pennymac is aligning with the updated requirements to allow rental income generated from an ADU on a subject 1-unit Primary Residence to be considered when qualifying a borrower for a purchase or a “no cash-out” refinance, provided the requirements in Freddie Mac Selling Guide section 5306.3 are met.

### Condominium Projects

- Effective immediately, Pennymac is aligning with the increase in the maximum single investor concentration to 49% for purchase transactions in condominium projects if certain requirements are met including but not limited to:
  - The single investor is marketing units for sale to further reduce their concentration to 25% or less of the units in condominium projects.
  - There are no planned or current special assessments in the project. See Freddie Mac Selling Guide section 5701.3 (j) for the complete details.
- Refer to Freddie Mac Bulletin 2022-11 for information on the modifications completed to the Freddie Mac reciprocal project review requirements as a result of the updates completed on Fannie Mae’s Condo Project Manager (CPM).

Please review the entirety of the Freddie Mac Bulletin 2022-11 for additional details on the above items and other updates provided.

Please contact your Sales Representative with any questions.