



# AMI LLPA WAIVER FOR FREDDIE AND FANNIE

As you may be aware, Freddie and Fannie announced in November a pricing enhancement targeted at First Time Home Buyers who have a total qualifying income at or below the Area Median Income (AMI). GMFS has updated our pricing engine to capture this great benefit. This can be significant to the borrower's interest rate depending on the FICO, LTV and loan size.

For example, in today's environment a 640 FICO at 95% could be up to 1% to 1.5% better in interest rate!!

These changes are now automatic in our system and easily identifiable! As of Friday, January 6<sup>th</sup>, the Loan Program will have an append to the name to indicate the AMI Waiver was used.

Example: GMFS – Fannie 30 Yr AMI Waiver

You will also see notations in the Optimal Blue Findings as shown highlighted below.

**Total Adjustments**

**-0.250**

**1.330**

**0.250**

**0.000**

**Notes/Advisories:**

1. Annual Qualifying Income of \$72000.00 is 96.13% of Acadia County AMI of \$74900.
2. AN ADJUSTMENT CAP WAS ENFORCED ON THIS PRODUCT. THIS IS REFLECTED IN THE TOTAL ADJUSTMENTS SHOWN ABOVE. CONTACT YOUR LENDER FOR MORE DETAILS CONCERNING PRICE ADJUSTMENT CAPS.
3. Adjustments tagged with an asterisk "\*" were NOT included in the adjustment cap. This is also reflected in Total Adjustments shown above. Contact your lender for more details concerning price adjustment caps.
4. GMFS must fund loan by expiration date.
5. Expired locks re-price at worse-case pricing. A recommitment fee will be applied.
6. GMFS is not responsible for any typographical errors on the rate sheet. Pricing is subject to change from posted price.
7. The borrower's credit history related to bankruptcy and derogatory housing events, including mortgage late payments, has not been evaluated to determine eligibility for this program. Contact the Lender for related requirements.
8. Please note that you must complete the "Self Employed" field as "Yes" if self-employment income for any borrower is used to qualify as this may impact eligibility and/or pricing.
9. Please note that you must complete the "First-Time Home Buyer" field as "Yes" if any borrower is a first-time home buyer, as this may impact eligibility and/or pricing.
10. HomePath Properties may be eligible for a \$500 credit that must be passed to the borrower to cover the cost of the appraisal. Please contact Lender for more details.
11. Effective for whole loans purchased on or after December 1, 2022 LLPAs may be waived for loans meeting Duty to Serve requirements and have a total qualifying income less than or equal to 100%. Please contact the lender for details.
12. This loan received a waiver in price because the Income entered in the system met certain Area Median Income qualifications. PLEASE NOTE: If your income goes up you may be subject to repricing.

## IMPORTANT TO NOTE:

- This waiver will not be indicated on the Home Ready / Home Possible products since those products themselves already have the LLPA waiver on all loans (not just FTHB).
- If the income field is blank, the AMI waiver will not be triggered.
- YOU MUST pay very close attention to your borrower's income. Before you lock the loan and accept the waiver, the total qualifying income is required to be entered in the file. **If you accept the lock and the total qualifying income changes, you will be subject to repricing.**

\*If your loan was locked prior to January 6th it may have received the AMI Waiver and the Loan Program name will not be appended. Please review your notes in Optimal Blue on FTHB. You will be subject to repricing if your income increase above 100% AMI