



## Selling Notice

**May 31, 2023**

### Area Median Incomes 2023

Area median income (AMI) estimates are provided to Fannie Mae by our regulator, the Federal Housing Finance Agency. These AMIs are used in determining borrower eligibility for HomeReady®, RefiNow™, and Duty to Serve. AMI is also used in determining eligibility for certain loan-level price adjustment waivers. The 2023 AMIs will be implemented in Desktop Underwriter® (DU®), Loan Delivery, and the [Area Median Income Lookup Tool](#) over the weekend of June 10, 2023, with an effective date of June 12, 2023.

As in past years, we will continue to apply the AMIs in DU based on the casefile creation date. DU will apply the 2023 limits to new DU loan casefiles created on or after June 12. Loan casefiles created prior to June 12 will continue to use the 2022 limits.

To align more closely with the DU implementation, and to ensure loans are not affected by AMI limits that decreased in 2023, we will use the Application Received Date provided in Loan Delivery (Sort ID 224) to determine which AMI limit to use when evaluating eligibility for the LLPA waiver. Loans with Application Received Dates prior to June 12 will use the 2022 AMI limits, and loans with Application Received Dates on and after June 12 will be subject to the 2023 AMI limits for the purpose of applying the waiver.

A few items of note:

- Lenders must use the 2023 AMI limit for manually underwritten loans with application dates on and after June 12.
- As a result of FHFA's April 18, 2023, [Final Rule](#), the 2023 AMI file includes a new definition for Duty to Serve "high-needs rural regions." FHFA primarily intended for this definition to introduce the concept of a "colonia census tract" but it also made technical updates in other geographic regions that could change which loans qualify as high-needs rural. The Area Median Income Lookup Tool identifies the high-need rural census tracts.
- The AMI data in our systems may differ from the AMI estimates posted on the U.S. Department of Housing and Urban Development's website.
- Treatment of loans in the pipeline - created in DU and not sold to Fannie Mae before June 12:
  - For DU HomeReady loans, DU will use the 2022 AMIs based on the casefile creation date to determine HomeReady eligibility. Application date AMI will not be used to apply the waiver upon sale.
  - For first-time homebuyer loans and Duty to Serve loans eligible for the waiver, DU will continue to issue an Observation message identifying that a loan casefile is eligible for the waiver based on AMI. For loans with application dates after June 12, lenders should confirm waiver eligibility based on 2023 AMI limits.