



# Conventional AMI changes from 2020 to 2021

- Originating Lender Responsibilities -

## DESKTOP UNDERWRITER (DU)

Application date is:	Initial DU run date is:	AMI limit increase or decrease?	Mortgage Cadence shows borrower AMI is:	Borrower AMI is actually:	What does this mean?
Before 6/5/21	On or after 6/5/21	Decrease	Less than or equal to 80%	Greater than 80% 2021 AMI	<p>Loan may have been locked without LLPAs that apply (Mortgage Cadence is applying the 2020 AMI limits but since DU was run initially on or after 6/5/21 the 2021 AMI limits apply). As the Originating Lender it is your responsibility to contact the <a href="mailto:LockDesk@VirginiaHousing.com">LockDesk@VirginiaHousing.com</a> to validate and correct to the appropriate pricing. Any necessary adjustments will be made and a new lock confirmation generated for you.</p> <p>If you do not obtain the correct pricing, then you will be responsible for any additional LLPA fees at loan purchase.</p>
On or after 6/5/21	Before 6/5/21	Decrease	Greater than 80%	Less than or equal to 80% 2020 AMI	<p>Loan may have been locked with LLPAs that do not apply (Mortgage Cadence is applying the 2021 AMI limits but since DU was run initially prior to 6/5/21 the 2020 AMI limits apply). Contact the <a href="mailto:LockDesk@VirginiaHousing.com">LockDesk@VirginiaHousing.com</a> to validate the appropriate pricing. Any necessary adjustments will be made and a new lock confirmation generated for you.</p>
Before 6/5/21	On or after 6/5/21	Increase	Greater than 80%	Less than or equal to 80% 2021 AMI	<p>Loan may have been locked with LLPAs that do not apply (Mortgage Cadence is applying the 2020 AMI limits but since DU was run initially on or after 6/5/21 the 2021 AMI limits apply). Contact the <a href="mailto:LockDesk@VirginiaHousing.com">LockDesk@VirginiaHousing.com</a> to validate the appropriate pricing. Any necessary adjustments will be made and a new lock confirmation generated for you.</p>
On or after 6/5/21	Before 6/5/21	Increase	Less than or equal to 80%	Greater than 80% 2020 AMI	<p>Loan may have been locked without LLPAs that apply (Mortgage Cadence is applying the 2021 AMI limits but since DU was run initially before 6/5/21 the 2020 AMI limits apply). As the Originating Lender it is your responsibility to contact the <a href="mailto:LockDesk@VirginiaHousing.com">LockDesk@VirginiaHousing.com</a> to validate and correct the appropriate pricing. Any necessary adjustments will be made and a new lock confirmation generated for you.</p> <p>If you do not obtain the correct pricing, then you will be responsible for any additional LLPA fees at loan purchase.</p> <p>Unlike LPA as shown below in some scenarios, DU will not allow use of the new higher 2021 AMI limit in this scenario. But if you are able to obtain a new DU casefile with initial run date of 6/5/21 or after (but before loan closing) then it is acceptable to use the higher 2021 AMI limit, which may cause the LLPAs to no longer apply if the borrower AMI is within the 2021 limit.</p>

**Notes:**

- If at any point the borrower income changes causing it to exceed the applicable 80% AMI before the loan is purchased by Virginia Housing, you must contact Virginia Housing to validate and correct to the appropriate pricing. It is critical for this to be validated through the life of the loan including at time of underwrite, clear to close, and closing. If you do not obtain the correct pricing before closing, then you will be responsible for any additional LLPA fees at loan purchase.
- If pricing changes causing your net price to exceed 2.50%, a lender credit or principal curtailment must be given to the borrower on the CD at closing. If this action is not taken, Virginia Housing will deduct the excess in price at time of purchase and apply it as a principal curtailment on behalf of the borrower.



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## LOAN PRODUCT ADVISOR (LPA)

Application date is:	Initial LPA run date is:	AMI limit increase or decrease?	Mortgage Cadence shows borrower AMI is:	Borrower AMI is actually:	What does this mean?
Before 6/5/21	On or after 6/16/21	Decrease	Less than or equal to 80%	Greater than 80% 2021 AMI	Loan may have been locked without LLPAs that apply (Mortgage Cadence is applying the 2020 AMI limits but since LPA was run initially on or after 6/16/21 the 2021 AMI limits apply). As the Originating Lender it is your responsibility to contact the <a href="mailto:LockDesk@VirginiaHousing.com">LockDesk@VirginiaHousing.com</a> to validate and correct the appropriate pricing. Any necessary adjustments will be made and a new lock confirmation generated for you.  If you do not obtain the correct pricing then you will be responsible for any additional LLPA fees at loan purchase.
On or after 6/5/21	Before 6/16/21	Decrease	Greater than 80%	Less than or equal to 80% 2020 AMI	Loan may have been locked with LLPAs that do not apply (Mortgage Cadence is applying the 2021 AMI limits but since LPA was run initially before 6/16/21 the 2020 AMI limits apply). Contact the <a href="mailto:LockDesk@VirginiaHousing.com">LockDesk@VirginiaHousing.com</a> to validate and correct to the appropriate pricing. Any necessary adjustments will be made and a new lock confirmation generated for you.
Before 6/5/21	Before 6/16/21	Decrease	Less than or equal to 80%	Less than or equal to 80% 2020 AMI	Loan should lock without LLPAs, which is correct since the initial LPA run date is before the 6/16/21 effective date for the AMI decrease.
On or after 6/5/21 and before 6/16/21	On or after 6/16/21	Decrease	Greater than 80%	Greater than 80% 2021 AMI	Loan should lock with LLPAs, which is correct since the initial LPA run date is on or after the 6/16/21 effective date for the AMI decrease.
Before 6/5/21	On or after 6/16/21	Increase	Greater than 80%	Less than or equal to 80% 2021 AMI	Loan may have been locked with LLPAs that do not apply (Mortgage Cadence is applying the 2020 AMI limits but since LPA was run initially on or after 6/16/21 the 2021 AMI limits apply). Contact the <a href="mailto:LockDesk@VirginiaHousing.com">LockDesk@VirginiaHousing.com</a> to validate and correct to the appropriate pricing. Any necessary adjustments will be made and a new lock confirmation generated for you.
Before 6/5/21	Before 6/16/21	Increase	Greater than 80%	Less than or equal to 80% 2021 AMI (but greater than 80% 2020 AMI)	Freddie Mac will allow you to use the new higher 2021 AMI limit even if LPA was initially run prior to 6/16/21. This means some loans above 80% AMI that will fall below the new 80% AMI limit will no longer be subject to LLPAs! This will require LPA be rerun 6/16/21 or later (but must be before closing) for the new higher AMI limit to be recognized by LPA. Contact the <a href="mailto:LockDesk@VirginiaHousing.com">LockDesk@VirginiaHousing.com</a> to validate and correct to the appropriate pricing. Any necessary adjustments will be made and a new lock confirmation generated for you.
On or after 6/5/21	Before 6/16/21	Increase	Less than or equal to 80%	Less than or equal to 80% 2021 AMI (but greater than 80% 2020 AMI)	Freddie Mac will allow you to use the new higher 2021 AMI limit even if LPA was initially run prior to 6/16/21. This means some loans above 80% AMI that will fall below the new 80% AMI limit will no longer be subject to LLPAs! This will require LPA be rerun 6/16/21 or later (but must be before closing) for the new higher AMI limit to be recognized by LPA. Loan should lock without LLPAs since the application date is on or after 6/5/21.



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## LOAN PRODUCT ADVISOR (LPA)

Application date is:	Initial LPA run date is:	AMI limit increase or decrease?	Mortgage Cadence shows borrower AMI is:	Borrower AMI is actually:	What are your responsibilities?
Before or after 6/16/21	Before 6/16/21	Increase	Greater than 80%	Greater than 80% 2020 and 2021 AMI	Loan should lock with LLPAs, which is correct since the AMI is greater than 80% for both 2020 and 2021.
On or after 6/5/21	On or after 6/16/21	Increase	Less than or equal to 80%	Less than or equal to 80% 2021 AMI	Loan should lock without LLPAs, which is correct since the initial LPA run date is on or after the 6/16/21 effective date for the AMI increase.

**Notes:**

- If at any point the borrower income changes causing it to exceed the applicable 80% AMI before the loan is purchased by Virginia Housing, you must contact Virginia Housing to validate and correct to the appropriate pricing. It is critical for this to be validated through the life of the loan including at time of underwrite, clear to close, and closing. If you do not obtain the correct pricing before closing, then you will be responsible for any additional LLPA fees at loan purchase.
- If pricing changes causing your net price to exceed 2.50%, a lender credit or principal curtailment must be given to the borrower on the CD at closing. If this action is not taken, Virginia Housing will deduct the excess in price at time of purchase and apply it as a principal curtailment on behalf of the borrower.