

# WHOLESALE BULLETIN

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## 20W-088

Attention: AEs, Business Development Managers & Mortgage Brokers

July 7, 2020

Please take a moment to read the important information contained in this bulletin.

Included in this Bulletin: **Freddie Mac Bulletins #2019-20 and #2020-13 Income Requirements**

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Effective July 2, 2020, Freddie Mac is updating their requirements for employed income analysis and calculation, with a focus on base non fluctuating and fluctuating hourly employment earnings and additional fluctuating employment earnings (e.g. commission, bonus, overtime and tip income).

The changes include:

- Updates to Freddie's employment history requirements - currently Freddie requires the Borrower to have at least a two-year history of primary employment, permitting a shorter history in certain instances. Freddie is updating their guide to require that when the Borrower's income is derived from fluctuating hourly employment earnings, **under no circumstances may the employment history be less than 12 months.**
- Fluctuating hourly employment earnings are considered to be wages that are based on an hourly rate of pay and where the number of hours fluctuate each pay period.
- Additional analysis is required when income fluctuation between the prior year(s) and year to date exceeds 10%.
- Aligning the income calculation requirements for all fluctuating employment income types (hourly base, overtime, bonus, commission and tips). The calculation is based on whether the income trend is determined to be consistent, increasing or declining.

If you have any questions, contact your local Account Executive, or Production Coordinator. You may also contact Brian Daily, SVP Wholesale: [Brian.Daily@mfinc.com](mailto:Brian.Daily@mfinc.com) 909-255-8332.

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