



WHOLESALE ANNOUNCEMENT 2024-91

December 18, 2024

Freddie Mac Updates

Effective Date

Effective for Mortgages with Note Dates on or after April 1, 2025

Credit Underwriting:

Restricted stock (RS) and restricted stock unit (RSU) income

Freddie Mac is updating their requirements for restricted stock (RS) and restricted stock units (RSU) income as follows:

- Adding definitions of performance-based RS and RSU income and time-based RS and RSU income
- Expanding requirements for calculation of qualifying income from performance-based RS and RSU to permit the use of less than 24 months (but not less than 12 months) in the calculation when the history of receipt of income with the current employer is between 12 and 24 months. The Seller must support the use of a shorter timeframe in the calculation with a written analysis and compensating factors.
- Expanding requirements to state that RS and RSU awarded on a recurring basis must be likely to continue for at least three years and specifying that nonrecurring awards must have at least three years' vesting and distribution remaining on the vesting schedule. Currently, the Guide requires that all time-based RS and RSU income must continue for at least three years.
- Replacing the 52-week average stock price with a 200-day simple moving average stock price as the basis for calculating RS and RSU income. Additionally, we are retiring the requirement for the average stock price to be determined as of the Application Received Date and will accept an average dated in accordance with standard age of documentation requirements (refer to Section 5102.4).

Should you have any questions, please reach out to your Account Executive or Client Manager