



Announcement 15-05

Date: January 12, 2014

Topic: Clarification to Announcement 14-63 FHA and VA ARM Look-Back Periods

This announcement is intended to provide further clarity regarding Announcement 14-63 regarding FHA and VA ARM Look-Back Periods. See below for the original announcement with all new clarifications in yellow highlight that now supersede old verbiage in ~~striketrough~~:

Currently, PennyMac requires a look back period of 30 days on FHA and VA ARMs.

Effective for loans with a note date on or after January 10, 2015, government ARMs, including FHA and VA, must have a 45 day look-back period. This update is in compliance with FHA's final rule regarding ARM look-back periods issued on August 26, 2014, and Ginnie Mae's Memo 14-12.

See below for initial and final delivery dates as acceptable to PennyMac:

Government ARMs with 30 Day Look-back Period

Loans with a note date on or before January 9, 2015 may continue to have a 30 day look-back period. FHA and VA ARM loans with a look-back period of 30 days must be delivered to PennyMac by February 26, 2015, and purchased by March 13, 2015.

Government ARMs with 45 Day Look-back Period

Loans with a note date on or after January 10, 2015 must have a 45 day look-back period **and are eligible for delivery to PennyMac on or after January 1, 2015. FHA and VA ARM loans with a 45 day look-back period must reflect a first change date in July or a later month.**

The *Adjustable Rate Mortgage Initial Interest Rate Adjustment Dates* job aid in the 'Reference Guides' section under the 'Tools & Resources' tab on gopennymac.com has been **updated with delivery requirements pertaining to additional guidance for loans reflecting** each look-back period. **See below for a screen shot of the updated document.** The ARM Attribute Matrix will also be updated to reflect this change.

5/1 FHA and VA ARMs

IF the loan is delivered in purchasable condition to PennyMac between:	THEN the loan must be purchased by PennyMac on or before:	AND the initial interest rate adjustment date must be:	AND the first payment date on the note must occur between:	Look-back Period
8/28/2014 - 11/26/2014	12/11/2014	1/1/2020	7/1/2014 - 1/1/2015	30 Days
11/27/2014 - 2/26/2015	3/13/2015	4/1/2020	10/1/2014 - 4/1/2015	30 Days
1/1/2015 - 5/28/2015	6/12/2015	7/1/2020	1/1/2015 - 7/1/2015	45 Days
5/29/2015 - 8/27/2015	9/11/2015	10/1/2020	4/1/2015 - 10/1/2015	45 Days

7/1 FHA ARMS

IF the loan is delivered in purchasable condition to PennyMac between:	THEN the loan must be purchased by PennyMac on or before:	AND the initial interest rate adjustment date must be:	AND the first payment date on the note must occur between:	Lookback Period
8/28/2014 - 11/26/2014	12/11/2014	1/1/2022	7/1/2014 - 1/1/2015	30 Days
11/27/2014 - 2/26/2015	3/13/2015	4/1/2022	10/1/2014 - 4/1/2015	30 Days
1/1/2015 - 5/28/2015	6/12/2015	7/1/2022	1/1/2015 - 7/1/2015	45 Days
5/29/2015 - 8/27/2015	9/11/2015	10/1/2022	4/1/2015 - 10/1/2015	45 Days

Please contact your Sales Representative with any questions.