



**Announcement 16-36**

**Date: October 3, 2016**

**Topic: New 203(k) Fee Structure and Multiple Updates to Rate Sheet**

**New 203(k) Fee Structure**

Effective for all FHA 203(k) commitments taken on or after Monday, October 10th, 2016, PennyMac is implementing an update to the fee schedule for Administrative Services and Administrative Services Plus. No changes will be made to the structure of any rate sheet tab or the LLPA values. The fee schedule will reflect the following update:

FHA 203k Fees (in addition to Standard Fees)	Program Fee	Draw Fee
Investor Services	\$100 per loan	\$50 per draw
Administrative Services Administrative Services Plus	Greater of (a) \$300 per loan or (b) 1.45% of amount in escrow for rehabilitation work	\$100 per draw

For reference purposes, the old fees are below and will be obsolete as of Monday, October 10th, 2016:

FHA 203k Fees (in addition to Standard Fees)	Fee
Investor Services	\$100 per loan & \$50 per draw
Administrative Services	\$750 per loan & \$50 per draw
Administrative Services Plus	\$1,500 per loan

**Multiple Updates to Rate Sheet**

The following updates are being implemented on the PennyMac Rate Sheet, effective Monday, October 10th, 2016. Note that each item represents a structural change that will affect the cell location of existing values.

***FNMA HomeStyle Pricing added***

Lenders must be approved by PennyMac prior to locking or delivering FNMA HomeStyle loans.

***LLPA Grid added to support Minimum/Custom Mortgage Insurance***

A new grid has been added to the 'Conv LLPAs' tab of the rate sheet to support Minimum/Custom MI (also known as Reduced MI). Please note the Portal lock screen will not contain a mortgage insurance option. If a loan is determined to have Minimum/Custom

Mortgage Insurance during the pre-purchase review, the price will be adjusted prior to purchase.

***Underwriting Borrowers without Traditional Credit***

Per announcement 16-16, PennyMac accepts FNMA DU 10.0 Approve/Eligible findings where no borrowers have a credit score. In support of this change, PennyMac has added an additional FICO Range to the grids on the 'Conv LLPAs' tab of all rate sheets.

***Footnotes Updated on Multiple LLPA tabs***

Footnotes will be updated on all rate sheets to promote consistency and improve clarity to the reader. This may cause some grid titles or attribute names to change. Please pay close attention to highlighted verbiage that has changed when the sample rate sheet is posted.

A sample of the updated rate sheet(s) will be posted to the PennyMac Portal after 6:00 PM (PT) on Wednesday, October 5<sup>th</sup>, 2016 with updates highlighted in yellow. Sample rate sheet(s) will be available for download shortly after the standard rate sheet email notification is sent from 'PennyMac Correspondent Pricing' <donotreply@pnmac.com>.

**Note:** Sample rate sheet(s) posted to the portal after 6 PM (PT) are intended only to communicate LLPA updates as described above. Loan program base pricing will reflect as blank. Rate sheets posted the following morning will be effective for new commitments.

Please contact your Sales Representative with any questions.