



**Announcement 17-02**

**Date: January 18, 2017**

**Topic: Changes to Best Efforts Commitment Policy & LLPA Grids**

Best Efforts Extension Policy

For new Best Effort commitments taken on or after Monday, January 23<sup>rd</sup>, 2017, PennyMac will reduce the minimum extension term to one (1) calendar day. Correspondents will be permitted to extend the commitment delivery due date of a Best Efforts commitment for the maximum cumulative term of the lesser of thirty (30) calendar days or the original (or relock) commitment term.

PennyMac will reduce the commitment price by the extension fees noted below.

<b>Extension Cost</b>	
1 day	-0.035
2 days	-0.06
3 days	-0.08
4 days	-0.09
5 - 30 days	-0.02 per day

Best Efforts Relock Policy

Previously, PennyMac allowed Best Efforts commitments relocked greater than sixty (60) calendar days after the earlier of the commitment cancellation date or most recent delivery due date, to be relocked at current market pricing.

For new Best Effort commitments taken on or after Monday, January 23<sup>rd</sup>, 2017, PennyMac will allow a current market relock thirty (30) calendar days after the earlier of the commitment cancellation date or most recent delivery due date.

### Changes to LLPA values

Effective Monday, January 23<sup>rd</sup>, 2017, PennyMac will be making changes to values in select LLPA grids. No structural changes are being made at this time. Sample rate sheets highlighting the changes will be placed onto PennyMac's Portal on Wednesday, January 18<sup>th</sup>, 2017 at approximately 6 PM PST. Clients should review their sample rate sheets, and notify their pricing vendor of the changes.

Please contact your Sales Representative with any questions.