



Announcement 18-06

Date: January 18, 2018 (to be finalized by publisher)

Topic: FHLMC 2017-28: Updates Employment After the Note Date, Land Trust

Employment Commencing After the Note Date

Currently, PennyMac will accept borrowers whose employment begins within 60 days of the note date subject to additional requirements.

Effective immediately, PennyMac is updating its requirements for Employment Commencing After the Note Date to more closely align with Freddie Mac's recent updates. PennyMac will allow borrowers to qualify with either employment or a future salary increase commencing after the note date subject to:

- 1 unit primary residence, purchase or no-cash out refi
- Employment or future salary increase begins within 90 days of the note date
- Lenders must verify funds that meet or exceed the total of the monthly housing expense plus all other liabilities for the time between loan close and employment start date PLUS one month, in addition to all other required funds
- 10 day pre-closing verification (PCV) verifying the terms of the employment offer letter, contract or future salary increase have not changed
- Non-contingent, fully executed and accepted by borrower offer letter, employment contract or salary increase documentation
- All other Freddie Mac and PennyMac requirements are met

Land Trust

Freddie Mac has updated its guidelines to allow properties held in a Land Trust. PennyMac will continue with current guidance that land trusts are ineligible for delivery.

Please contact your Sales Representative with any questions.