



**Announcement 18-09**

**Date: January 29, 2018**

**Topic: Reminder Regarding 2017 Tax Transcripts**

Effective with all loans closed on or after June 15, 2018, 2017 tax transcripts will be required per PennyMac's Tax Transcript Policy, unless the file contains evidence an extension was filed along with a copy of the IRS notice for 2017 showing "no record of return filed".

For all loans closed on or after December 15, 2018, tax year 2017 returns and transcripts will be required, when tax returns and/or transcripts are required.

As a reminder, PennyMac's Fannie Mae, Freddie Mac, FHA, and VA Tax Transcript Policy is shown below:

Tax transcripts are not required for borrowers qualifying using only W2 wage earner income and/or fixed income reported on a 1099. Tax transcripts are required for all other income types. When tax transcripts are required:

- Provide transcripts for each borrower whose income is utilized as a source of repayment.
- Transcripts must be provided for the number of years of income used to qualify the borrower. Tax transcripts must support the income used to qualify the borrower.
- Generally, when the documentation used to verify income is from the same calendar period as the tax transcript, the information must match exactly. However, if the income documentation is from the current calendar year and the transcript is from a prior year, there can be acceptable variances. If this variance exceeds 20%, document the rationale for using current income.
- If tax transcripts are not available (due to a recent filing for the current year) a copy of the IRS notice showing "No record of return filed" is required along with documented acknowledgement receipt (such as IRS officially stamped tax returns or evidence that the return was electronically received) from the IRS and the previous one year's tax transcripts.
- A properly executed 4506-T is required for all transactions. Exceptions apply based on program. See Product Profile for complete 4506-T requirements.

Note: Loans not requiring income such as non-credit qualifying FHA Streamlines and VA IRRRLs do not require tax transcripts. For Jumbo or Rural Housing loans, refer to the Jumbo Underwriting Guidelines and Eligibility Requirements or the Rural Housing Product Profile for tax transcript requirements.

Please contact your Sales Representative with any questions.