



Announcement 18-22

Date: May 30, 2018

Topic: Updates to Conventional LLPAs and Jumbo LLPAs

Updates to Conventional LLPAs

PennyMac will update values on the Conventional LLPAs by Product Feature effective for all Best Effort and AOT-DT commitments taken on or after **Tuesday, June 5th, 2018**. In this release, the updates will be specific to the 25 Year Fixed and 30 Year Fixed price adjustments by LTV bucket.

Updates to Jumbo LLPAs

Effective **Tuesday, June 5th, 2018**, the following changes will be made to the Jumbo LLPAs on the Best Effort rate sheet:

- Updates to various Jumbo LLPA values
- Minimum FICO Range will be changed to 700 – 719 (compared to 680 – 699 currently).
- Added new LLPA for 2 – 4 Unit Multi Family
- Added new LLPA for 2nd Homes

Updates to Jumbo Guidelines

In addition, the attached Jumbo Guidelines and Product Profile have been updated and will be published to www.gopennymac.com/products. Included is an annotated version of the guideline document with changes in red and notes to help identify the sections that changed. Highlights of the updates include:

- Self-employed income documentation updates for 1099 borrowers and borrowers with de minimis losses
- Requirements for use of restricted stock as income
- Business assets may be used for reserves in some instances
- Credit score minimum of 700
- Expanded guidance on derogatory credit

Please review the entire Jumbo Guideline for all changes.

A sample of the updated Best Effort and AOT-DT rate sheet(s) will be posted to the PennyMac Portal after 6:00 PM (PT) on **Wednesday, May 30th, 2018** 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 the rate sheet changes 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.