



Announcement

Announcement # 18-30

Date: July 18, 2018

Topic: Freddie Mac Bulletin 2018-10 Updates to Condos and Multiple Financed Properties

For all LPA approved loans, PennyMac is aligning with the updates announced in Bulletin 2018-10, including but not limited to the below. Effective dates are also included below.

Condo Project Updates

Effective immediately, PennyMac is aligning with Freddie Mac's updates to condo project review, including all updates to detached condos, new condos, and existing condos. Some highlights of the changes include:

- Commercial space increased to 35% of total square footage.
- Adding working capital fund as an eligible source to meet project reserves on new condos.
- Removed the requirements around ability to sell and right of first refusal on new condos

Multiple Financed Properties

Currently Freddie Mac requires each borrower individually and all borrowers collectively to not be obligated on more than six 1- to 4-unit financed properties, including the subject property and the borrower's primary residence.

Effective with LPA runs on or after August 20, 2018, PennyMac is aligning with Freddie Mac's update and allow each borrower individually and all borrowers collectively to not be obligated on more than ten 1- to 4-unit financed properties, including the subject property and the borrower's primary residence.

When the borrower(s) has seven to ten financed properties, the loan must have

- a minimum 720 credit score and
- an LPA accept.

Please contact your Sales Representative with any questions.