



Announcement

Announcement # 18-45

Date: October 9, 2018

Topic: EPMI and Jumbo Non-Delegated LLPAs

Effective Monday, October 22, 2018, PennyMac will be rolling out multiple updates to its Best Effort and AOT/DT rate sheets as noted below.

EPMI Program

Enterprise Paid Mortgage Insurance (EPMI) is a new mortgage insurance option where PennyMac obtains the MI on behalf of the lender. This option will be made available for new DU approved Conventional Conforming locks, excluding any DU Refi Plus. EPMI will be available for delegated and non-delegated best efforts locks as well as AOT/DT locks. Both the Best Effort and AOT/DT Rate Sheets will include a new tab containing the EPMI LLPA pricing grids. These LLPAs are cumulative and are in addition to any applicable LLPA caps.

Lenders are required to use the Lender Paid Mortgage Insurance disclosures, and a copy provided to the borrower must be included in the file. In addition, the AUS must be run with Lender Paid Single Premium MI. Any messages about the percentage of coverage do not need to be met.

Jumbo Non-Delegated LLPAs

Jumbo loans submitted for non-delegated eligibility review will be subject to a non-delegated LLPA. Best Effort Rate Sheet will be updated to include the Non-Delegated LLPA grid on the following tab: 'Nonconforming LLPAs'.

Conventional Cumulative LLPA Caps

The following Conventional LLPAs will no longer be subject to the cumulative LLPA cap and will be footnoted on the rate sheet:

- Purchase Special
- 25 Year Fixed
- 30 Year Fixed



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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 **October 11, 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 **and will also include the changes described in Announcement 18-44: Non-Delegated FHA and Temp Buydowns**. 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.