



Announcement

Announcement # 18-46

Date: October 17, 2018

Topic: Temporary Buydown Option Update

PennyMac is clarifying the requirements regarding temp buydowns. Please see below for updated requirements indicated in red.

Effective Monday, October 22, 2018, a temporary buydown option will be available for Conventional, FHA, VA, and USDA locks for all delivery types, subject to the following requirements:

- Minimum 680 FICO
- Owner occupied, purchase, fixed rate only
- Borrower funded (in whole or part) buydown accounts are ineligible
- Maximum rate reduction of 2% with maximum increase of 1% per year
- Borrower must be qualified at note rate without benefit of buydown

Best Effort and AOT/DT rate sheets will be updated to include a temp buydown LLPA on the following tabs: 'Conv LLPAs' and 'Govt LLPAs'. Also starting October 22, in order for temporary buydowns in bulk tapes to be priced accurately at commitment, a buydown flag will need to be added to bulk bid tapes. If a temporary buydown loan does not have a buydown flag on the bulk bid tape, the appropriate LLPA add will be applied at funding.

Please contact your Sales Representative with any questions.