



Announcement

Announcement # 18-61

Date: December 19, 2018

Topic: Release of PennyMac's Non-Conforming Non-QM Program and Update to EPMI LLPAs

Release of Non-Conforming Non-QM Program

Effective **January 2nd, 2018**, PennyMac is pleased to announce the release of the Non-Conforming Non-QM Loan Program. Highlights of the program include:

- Minimum FICO of 660
- Maximum LTV/CLTV of 90%
- Minimum loan amount for all areas is \$1 above the conforming high balance limit, or standard balance limit if high balance is not available.
- Up to \$1,500,000 loan amount
- Investment properties are eligible
- Loans are run through DU or LPA
- Self-employed income documentation per the DU or LPA
- Credit history requirements per the DU or LPA.

Because these loans are non-agency loans, PennyMac will not honor any implied rep and warrant relief from Fannie Mae's Day 1 Certainty or Freddie Mac's equivalent automated income and asset program. In addition, appraisal waivers are not acceptable, and all appraisals must be uploaded to UCDP.

Satisfactory submission reports for both Fannie Mae and Freddie Mac must be included in the loan file. Guidelines are posted to GoPennyMac.com.

Non-Conforming Non-QM will be offered under both delegated and non-delegated underwriting options to clients who are approved for Jumbo loans. For non-delegated underwriting options or information on how to be approved for Jumbo, please reach out to your Account Executive.

Best Effort rate sheets will be updated January 2nd to display Non-QM pricing. The "Nonconforming" tab will feature a new base pricing grid, and the "Nonconforming LLPAs" tab will feature a new FICO/LTV adjustment grid and a new Product Feature adjustment grid.

Updated EPMI LLPAs

Also effective January 2nd, 2019, PennyMac will be updating certain LLPA values displayed on the EPMI tab of the Best Effort and AOT rate sheets. See sample rate sheets for updated values.



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A sample of the updated rate sheet(s) will be posted to the PennyMac Portal after 6:00 PM (PT) Wednesday, December 19th, 2018. Sample rate sheet(s) will be available for download shortly after the standard rate sheet email notification is sent from 'PennyMac Seller 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 be blank. Rate sheets posted the following morning will be effective for new commitments.

Please contact your Sales Representative with any questions.