



Announcement

Announcement # 19-20

Date: March 14, 2019

Topic: FHA Third Party Verification & Reminder Regarding Tax Transcripts

FHA Third Party Verification

Effective immediately, PennyMac will align with FHA's ML 2019-01, and will accept third party verification services. Lenders must include any third party vendor reports in the file at the time of delivery.

Reminder Regarding Tax Transcripts

Effective with all loans closed on or after June 15, 2019, 2018 tax transcripts will be required, unless the file contains evidence an extension was filed along with a copy of the IRS notice for 2018 showing "no record of return filed".

For all loans closed on or after December 15, 2019, 2018 tax returns and tax transcripts will be required.

As a reminder, PennyMac's Fannie Mae, Freddie Mac, FHA, and VA Tax Transcript Policy is shown below:

- Tax transcripts for the most recent one year are required for all self-employed borrowers whose income is used to qualify. If only non-self employed income is used to qualify, transcripts are not required
- When tax transcripts are provided, they must support the income used to qualify.
- A properly executed 4506-T is required for all transactions except:
 - Loan file contains tax transcripts, or
 - When all of a borrower's income is validated by the DU validation service (FNMA only)
- If tax transcripts are not available (due to a recent filing for the current year) a copy of the IRS notice showing "No record of return filed" is required along with documented acknowledgement receipt (such as IRS officially stamped tax returns or evidence that the return was electronically received) from the IRS and transcripts from the previous year
- Please see USDA-Jumbo guidelines for transcript requirements

Note: Loans not requiring income such as non-credit qualifying FHA Streamlines and VA IRRRLs do not require tax transcripts. For Jumbo or Rural Housing loans, refer to the Jumbo Underwriting Guidelines and Eligibility Requirements or the Rural Housing Product Profile for tax transcript requirements.

Please contact your Sales Representative with any questions.