



Announcement

Announcement # 19-43

Date: July 31, 2019

Topic: Update to VA Seasoning Requirements and COE Required for all IRRRLs

PennyMac is announcing the following updates on VA transactions. All updates are effective immediately.

Ginnie Mae VA Seasoning Update

Previously, VA refinance loans required the new note date to be on or after the later of (1) the date on which 6 full monthly payments have been made on the mortgage being refinanced or (2) the date that is 210 days after the date on which the first monthly payment was made on the mortgage being refinanced.

Effective immediately, PennyMac is aligning with Senate Bill S.1749 which updates the seasoning requirements for VA loans. Any VA loan that is a refinance must have a new note date on or after the later of

- the date on which the borrower has made at least six consecutive monthly payments on the loan being refinanced; and
- the date that is 210 days after the first payment due date of the loan being refinanced.

Certificate of Eligibility on IRRRLs

Previously, VA did not require a Certificate of Eligibility (COE) on IRRRL transactions.

Effective immediately, PennyMac is aligning with the updates in Circular 26-19-17. A COE is required for all VA refinance transactions, including IRRRLs, to confirm the veteran either is or is not exempt from paying the funding fee. If the COE does not show that the Veteran is exempt from paying the funding fee, the Lender is responsible for asking the Veteran if they have a claim for compensation pending with the VA. If there is a claim pending then an updated COE no earlier than 3 days before loan closing must be obtained in order to be valid for exemption. For active duty service members with a pre-discharge claim pending, the Regional Loan Center (RLC) must be contacted in the event that the service member is exempt from paying the funding fee. Please see VA Circular 26-19-17 for complete information.

Please contact your Sales Representative with any questions.