



Announcement

Announcement # 19-54

Date: September 26, 2019

Topic: FHA Condo Single-Unit Approval and USDA Updates

PennyMac is announcing the following updates to FHA and USDA programs.

FHA Condo Updates

FHA has recently updated their condo approval requirements. Updates include condo loan level certifications, HUD Review and Approval Process (HRAP), and Direct Endorsement Lender Review and Approval Process (DELRAP) requirements.

For delegated transactions, effective for case numbers assigned on or after October 15, 2019, PennyMac is aligning with FHA's updates to condos. Delegated lenders must follow FHA's requirements when approving condos and condo projects via these approval options

For non-delegated transactions, effective for case numbers assigned on or after October 15, 2019, PennyMac will not be accepting single unit approvals or projects approved via DELRAP. An announcement will be released in the future should these options become available.

Due to the extensive nature of the changes, PennyMac recommends the updates be reviewed in their entirety.

FHA Handbook Quarterly Update

FHA has recently completed their quarterly update to the Single Family Housing Policy Handbook 4000.1 with the majority of changes effective for case numbers assigned on or after September 9, 2019. These updates cover a wide range of topics. PennyMac will align with all updates while maintaining any current overlays unless otherwise announced.

Due to the varied and extensive nature of the updates, PennyMac recommends all chapters be reviewed for complete details.

USDA Handbook Updates

USDA has recently released updates to Chapters 5, 6, 7 and 12 of the SFH Guaranteed Loan Program Technical Handbook HB-1-3555. Updates include the release of the Single Close Construction to Perm program and the removal of the Interest Rate Cap, among other changes.



Announcement

Effective October 1, 2019, PennyMac is aligning with all updates except for the Single Close Construction to Perm program and is maintaining any current overlays. PennyMac will not be offering this program at this time. An announcement will be released should it become available.

Due to the extensive nature of these changes, PennyMac recommends all updated chapters be reviewed for complete details.

Please contact your Sales Representative with any questions.