



# Announcement

## Announcement # 20-06

**Date:** February 7, 2020

**Topic:** Reminder Regarding Tax Transcripts

### Reminder Regarding Tax Transcripts

Effective with all loans closed on or after June 15, 2020, 2019 tax transcripts will be required, unless the file contains evidence an extension was filed along with a copy of the IRS notice for 2019 showing "no record of return filed".

For all loans closed on or after December 15, 2020, 2019 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:

- Delegated transactions require tax transcripts for the most recent one year 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.
- Non-Delegated transactions require transcripts for the most recent one year for all borrowers whose income is used to qualify. If only W2/1099 income is used to qualify then W2/1099 transcripts are acceptable.
- 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.