



Announcement

Announcement # 20-24

Date: 04/17/2020

Topic: Interior Access, Update to Renovation Programs, Fannie Mae and Freddie Mac COVID-19 Updates, VA Circular 26-20-13

Interior Access

As the COVID-19 pandemic progresses, many states are enacting stay at home or shelter in place requirements, which can impact mortgage lending. Pennsylvania recently announced a state order that prohibits appraisers from entering homes due to the pandemic.

PennyMac reminds Correspondents that transactions which require a full interior and exterior appraisal will be ineligible for delivery to PennyMac without the required appraisal. PennyMac recommends Correspondents stay informed of the various state orders that may impact a loan.

Renovation Programs

PennyMac is temporarily pausing the purchase of Fannie Mae HomeStyle and 203(k) renovation programs. The last day to lock these loans will be April 20, 2020. PennyMac will announce when the programs are eligible for purchase.

Fannie Mae Lender Letter 2020-04 and Freddie Mac Bulletin 2020-11

PennyMac is aligning with the updates released by Fannie Mae in the 4.14.20 revised Lender Letter and Freddie Mac bulletin 2020-11, except for updates related to Remote Online Notarization (RON). PennyMac is not accepting RON at this time. All updates are scheduled to end with applications on or after May 17, 2020, however the end date is subject to change.

Effective immediately, PennyMac is aligning with Fannie Mae and Freddie Mac's recent updates to appraisal flexibilities for condominium projects including the expansion of project eligibility waiver and project documentation. Project warranty waivers for Fannie Mae to Fannie Mae, or Freddie Mac to Freddie Mac, owner occupied rate and term refinance is now eligible up to 90% LTV. Condo projects must continue to meet all other project waiver and litigation requirements.

In addition, when a budget is required for a warranty review, a 2019 budget may be acceptable in lieu of a 2020 budget, when the current budget is unavailable, due to issues related to COVID-19. All other applicable condo warranty requirements must still be met, including the requirements for delinquent HOA dues and reserve funding. New condo projects are currently ineligible for this flexibility.



Announcement

VA Circular 26-20-13

PennyMac is aligning with all updates announced in VA Circular 26-20-13, including the updated loan limit for exterior only appraisals. Correspondents should not order an exterior-only appraisal if the expected base loan amount will be more than one and a half times the maximum of the conforming loan limit (CLL) for the county area. These flexibilities are scheduled to remain in effect until the earlier of April 1, 2021 or when rescinded by VA.

Please contact your Sales Representative with any questions.