



Announcement

Announcement # 20-26

Date: April 23, 2020

Topic: Loans in Early Forbearance

Effective with loans purchased on or after April 23, 2020, PennyMac is announcing the following updates regarding loans that enter forbearance after purchase:

- A conventional purchase or rate and term loan enters into forbearance after purchase but prior to the loan being sold to an Agency will be assessed the standard agency LLPAs of 5% (for first time homebuyers) or 7% (for all other loans) as announced in Fannie Mae Lender Letter 2020-06 and Freddie Mac Bulletin 2020-12. This LLPA is in addition to all other LLPAs applicable to the loan and is not subject to the LLPA cap.
- Conventional cash-out transactions remain subject to repurchase if the loan enters forbearance within 15 days of purchase by PennyMac.

Additionally, Correspondents will be billed a \$1,000 administrative fee for each conventional or government that enters into forbearance within 60 days of the PennyMac purchase date, regardless of whether such loan has been sold to the agency

As a reminder, PennyMac will not purchase loans that are currently in forbearance.

Please contact your Sales Representative with any questions.