



Announcement

Announcement # 20-59

Date: September 23, 2020

Topic: Adverse Market Refinance Fee, VA LLPA and SRP Update

Adverse Market Refinance Fee LLPA Update

The Federal Housing Finance Agency (FHFA) announced a delay to the implementation date of the Adverse Market Refinance Fee until December 1, 2020. In order to align with FHFA's implementation date, PennyMac will be including the fee in its Best Effort pricing as follows:

Lock Period	Effective Date for Refinance LLPA
75 days	August 31, 2020
60 days	September 11, 2020
45 days	September 25, 2020
30 days and less	Pricing for lock commitments 30 days and less will not include the fee at this time. Additional announcements are planned as the implementation date approaches to communicate when pricing will include the fee.

- PennyMac will update the rate sheet footnote on Friday, September 25, 2020 to display the Refinance LLPA applies to 45 days and longer commitments.
- Lock extensions and relocks will be subject to the new Adverse Market Refinance Fee if the loan is delivered after November 9, 2020 and purchased after November 20, 2020,



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and the fee was not included previously. The 50 basis point fee may not be reflected in the price until after the lock extension or relock has been completed.

- Exempt from the fee are HomeReady, Home Possible, Fannie Mae Single Close with Special Feature Code 151, and refinance transactions with loan balances less than \$125,000.

VA LLPA and SRP Grid Value Updates

PennyMac will make updates to Government LLPAs and SRP grid values effective for all Best Effort commitments taken on or after **Monday, September 28, 2020**, as follows:

- Update values on the 'VA Full Doc Price Adjustments' Grid
- Update values on the 'VA IRRRL Price Adjustments' Grid
- Update values on the 'VA IRRRL Investment Property and Second Home Price Adjustments' Grid
- Update values for New York State only on each of the SRP Grids

A sample of the updated rate sheet(s) will be posted to the PennyMac Portal after 6:00 PM (PT) today, September 23, 2020. Sample rate sheet(s) will be available for download shortly after the standard rate sheet email notification is sent from 'PennyMac Seller Pricing' <donotreply@pnmac.com>.

Note: Sample rate sheet(s) posted to the portal after 6 PM (PT) are intended only to communicate the rate sheet changes as described above. Loan program base pricing will be blank. Rate sheets posted the following morning will be effective for new commitments.

Please contact your Sales Representative with any questions.