



Announcement

Announcement # 21-12

Date: 02/18/2021

Topic: Conventional Self-Employed Income Documentation Requirements for 2021

PennyMac aligns with the guidance given in the Fannie Mae Lender Letters 2020-03 dated May 28, 2020 and November 13, 2020 and Freddie Mac Bulletins 2020-19 and 2020-44 for borrowers using self-employment income to qualify. In addition, PennyMac is aligning with the age of tax return requirements provided in Freddie Mac Bulletin 2021-2.

The below chart provides a detailed breakdown for each month in 2021 of the specific documentation requirements for profit & loss statements, business bank statements, and tax returns based on the application date and if 2020 tax returns have been provided or not.

IF 2020 Tax Returns have not been provided; not yet required or extension in file			
Application Date	The profit and loss statement must report, at a minimum:	When unaudited P & L, business bank account statements required:	Tax Returns Required
January 2021	January through December 2020	October, November, December 2020	2019 and 2018 for two years 2019 for one year
February 2021	November, December 2020 and January 2021	November & December 2020 and January 2021	
March 2021	December 2020 and January & February 2021	December 2020 and January & February 2021	
April 2021	January through March 2021	January, February & March 2021	2019 and 2018 for two years ¹ 2019 for one year ¹
May 2021	January through April 2021	February, March & April 2021	2019 and 2018 plus extension for two years 2019 plus extension for one year
June 2021	January through May 2021	March, April & May 2021	
July 2021	January through June 2021	April, May & June 2021	
August 2021	January through July 2021	May, June & July 2021	
September 2021	January through August 2021	June, July & August 2021	2019 and 2018 plus extension for two years ² 2019 plus extension for one year ²
October 2021	January through September 2021	July, August & September 2021	2019 and 2020 for two years 2020 for one year
November 2021	January through October 2021	August, September & October 2021	
December 2021	January through November 2021	September, October & November 2021	

¹2020 Tax Returns required for loans with applications dated on or after 4/15/2021 or extension required.

²Extensions accepted until applications dated 9/30/21. On or after 10/1/2021, 2020 tax returns are required.



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IF 2020 Tax Returns have been provided <i>with evidence of filing to IRS</i>			
Application Date	The profit and loss statement must report, at a minimum:	When unaudited P & L, business bank account statements required:	Tax Returns Required
January 2021	P&L is required, October to December	October, November & December 2020	2019 and 2020 for two years 2020 for one year
February 2021	P&L is required, November to January	November and December 2020 & January 2021	
March 2021	January through February 2021	December 2020 and January & February 2021	
April 2021	January through March 2021	January, February & March 2021	
May 2021	January through April 2021	February, March & April 2021	
June 2021	January through May 2021	March, April & May 2021	
July 2021	January through June 2021	April, May & June 2021	
August 2021	January through July 2021	May, June & July 2021	
September 2021	January through August 2021	June, July & August 2021	
October 2021	January through September 2021	July, August & September 2021	
November 2021	January through October 2021	August, September & October 2021	
December 2021	January through November 2021	September, October & November 2021	

Note: The lender should not rely solely on the above chart and remains responsible for ensuring that all Agency guidelines are being met.

Please contact your Sales Representative with any questions.