



# Announcement

## **Announcement # 21-32**

**Date:** 04/20/2021

### **Topic: Freddie Mac Bulletin 2021-12**

PennyMac is aligning with Freddie Mac's updates announced in Bulletin 2021-12, with the exception of the community land trust requirements. Updates include but are not limited to the following:

#### **Income and Assets**

##### **Employed Income – 10-day Pre-Closing Verification**

Effective immediately, PennyMac is aligning with Freddie Mac's updated requirements for obtaining a 10-day pre-closing verification (PCV) to permit an e-mail exchange from the independently obtained employer's work e-mail address that includes, at a minimum, all of the following:

- Borrower's name and current employment status
- Employer's name
- Name and title of the individual contacted at the employer, date of contact and the individual's work e-mail address
  - Note: the work e-mail address must be clearly identifiable as belonging to the employer e.g. name@companyname.com. An e-mail address such as name@gmail.com would not be acceptable.

In addition, the loan file must include:

- Information about the third-party source used to obtain the employer's e-mail address, and
- Name and title of the Lender's representative who contacted the borrower's employer and obtained the e-mail verification

##### **Retirement Account Distributions as Income**

Effective immediately, PennyMac is aligning with the greater flexibility Freddie Mac is providing when retirement account distributions are used as income to qualify the borrower. If the retirement account from which the borrower is currently taking distributions is projected to be depleted within three years, the lender must verify that the borrower has sufficient eligible assets in aggregate to support the amount of qualifying income for at least three years after the Note Date.



### **Documentation of Funds to Close on a Refinance**

Effective immediately, PennyMac is aligning with Freddie Mac's updated requirements related to documentation of funds to close for refinance transactions. The documentation of funds to close is no longer required under the following circumstances:

- Required borrower funds are \$500 or less, and
- No reserves are required in accordance with the Loan Product Advisor (LPA) Feedback Certificate, and
- The Mortgage is a LPA Mortgage with a Risk Class of Accept

LPA messaging will be updated by 6/7/2021 to reflect this change.

Please contact your Sales Representative with any questions.