



Announcement

Announcement # 21-78

Date: October 5, 2021

Topic: Increase to Maximum VA Loan Amount Limit

Effective Thursday, October 7, 2021, PennyMac is increasing the maximum base loan amount for VA loans from \$1,500,000 to \$2,000,000 subject to the following requirements

For all VA loan transactions with base loan amounts between \$1.5m to \$2m:

- The 25% guarantee must be composed entirely of the veteran's entitlement. The use of cash down payment or equity may not be used to meet the 25% guarantee requirement.
- Borrowers must have a primary mortgage or primary housing history of 0x30x12 for the most recent consecutive 12-month period, ending with the application date. Gaps in history or less than 12 months will not be acceptable.
- Minimum 720 credit score
- Max 45% DTI. DTI does not apply to IRRRLs.
 - DTIs above 41% must meet VA's additional requirements.
- Purchase specific requirements
 - Max 90% LTV/CLTV, calculated from the base loan amount
- Cash-out specific requirements
 - Max 80% LTV/CLTV, calculated from the base loan amount
 - Maximum of \$500,000 cash out, excluding any second lien pay offs.
 - Consumer debt or cash in hand is included in the maximum amount allowed.
- IRRRL specific requirements
 - Standard guidelines in addition to the first three bullets.

Loan amounts from \$1,000,000 to \$1,500,000 will continue to require a minimum 700 credit score.



Updates to Government LLPAs

PennyMac will make updates to the Government LLPAs effective for all Best Effort commitments taken on or after **Thursday, October 7, 2021**, as follows:

- Update values and add additional LLPAs to the Government 'VA Other Price Adjustments' Grid

A sample of the updated rate sheet(s) will be posted to the PennyMac Portal after 11:00 PM (PT) today, October 5, 2021. 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 11 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.