

**Announcement # 22-63**

**Date:** October 03, 2022

## Increased Loan Limits Update

Pennymac Correspondent is revising our conventional loan limits to \$700,000, effective **Tuesday October 4, 2022**.

### Details (as previously outlined):

- Appraisal waivers with AUS Approve/Eligible will be accepted.
- Loans with AUS Approve/Ineligible (Ineligible for loan limits only) are acceptable but will not be eligible for appraisal waivers.
- Seller will be responsible for re-running the AUS within one week of update to the AUS with the new loan limits.
  - We expect that the AUSs will be updated with the official loan limits in early to mid-December.
  - As a reminder, credit reports should be no older than 120 days at the time of the AUS re-run.
  - The updated Approve/Eligible finding must be delivered to Pennymac as soon as available.
  - A loan that does not receive an Approve/Eligible finding upon re-run of the AUS will be subject to repurchase unless the sole reason for the Ineligible finding is due to a discrepancy between Pennymac’s posted loan limits and the final conventional loan limits.

Units	Revised New Limit		2022 Limit	
	States (Not Including AK & HI)	AK & HI	States (Not Including AK & HI)	AK & HI
1	\$700,000	\$1,050,000	\$647,200	\$970,800
2	\$895,000	\$1,345,000	\$828,700	\$1,243,050
3	\$1,080,000	\$1,625,000	1,001,650	\$1,502,475
4	\$1,345,000	\$2,020,000	1,244,850	\$1,867,275

Pennymac recommends that Sellers confirm eligibility with their warehouse banks and mortgage insurance partners as early as possible to address any unforeseen issues.

Official 2023 conventional loan limit changes will be determined by FHFA announcement.

Pennymac will update Conventional LLPAs effective for all Best Effort commitments taken on or after Tuesday, October 4, 2022, as follows:

- Update new 'Loan Balance Adjustments' Grid to reflect the revised loan limits

Please contact your Sales Representative with any questions.