

Announcement # 22-64

Date: October 7, 2022

## Enhancements to Temporary Interest Rate Buydown Requirements on Conventional and Government Loans

Effective immediately, Pennymac is pleased to announce expanded eligibility requirements and loan program availability for temporary interest rate buydowns, as outlined in the below table:

Temporary Buydowns: Eligible Programs and Highlights	
<i>Conventional and VA</i>	<i>Highlights include</i>
<ul style="list-style-type: none"> <li>• Fannie Mae Standard &amp; High Balance</li> <li>• Fannie Mae HomeReady</li> <li>• Fannie Mae HomeStyle</li> <li>• Fannie Mae Single Close</li> <li>• Freddie Mac Standard &amp; Super Conforming</li> <li>• Freddie Mac Home Possible</li> <li>• VA Full Doc</li> <li>• VA IRRRL</li> <li>• VA Manufactured Homes</li> <li>• VA Renovations</li> </ul>	<ul style="list-style-type: none"> <li>• Max total interest rate reduction of 3%, max increase per year of 1% (1/0,1/1, 2/1, and 3/2/1 buydowns allowed)</li> <li>• Maximum 3 years to reach standard note rate</li> <li>• Must qualify at the standard note rate without benefit of the buydown</li> <li>• Minimum 660 FICO</li> <li>• Must meet all other applicable Agency requirements, including but not limited to qualification, documentation of buydown, and funding of buydown.</li> </ul>
<i>FHA and USDA Rural Housing</i>	<i>Highlights include</i>
<ul style="list-style-type: none"> <li>• FHA Full Doc</li> <li>• FHA Manufactured Homes</li> <li>• FHA 203K</li> <li>• USDA Streamlined-Assist</li> </ul>	<ul style="list-style-type: none"> <li>• Max total interest rate reduction of 2%, max increase per year of 1% (only 1/0, 1/1, and 2/1 buydowns allowed)</li> <li>• Maximum 2 years to reach standard note rate</li> <li>• Must qualify at the standard note rate without benefit of the buydown</li> <li>• Minimum 660 FICO</li> <li>• Must meet all other applicable FHA or USDA requirements, including but not limited to qualification, documentation of buydown, and funding of buydown.</li> </ul>

Please refer to the specific loan program product profile for complete requirements.

Please contact your Sales Representative with any questions.