

Announcement # 22-82**Date:** December 19, 2022

Conventional Credit Fee Cap

Effective for new Best Effort locks taken on or after Wednesday, December 21, 2022, Pennymac is pleased to announce the alignment with Freddie Mac and Fannie Mae on their recent announcements eliminating specific Loan Level Price Adjustments for qualifying borrowers and affordable mortgage products.

As we work toward system support of these changes we will have a manual process in place to apply the Credit Fee Cap to eligible loans meeting the following criteria:

- First Time Home Buyer with total qualifying income at or below 100% of the applicable Area Median Income (AMI), or 120% AMI in designated High Cost Areas
- The following types of Duty to Serve loans:
 - Manufactured Housing
 - High Needs Rural Areas

Note: Duty to Serve loans require the following: Area Median Income at or below 100%, Primary Residence, and Purchase or Limited Cash Out Refinance transactions.

Once a loan is identified as eligible in one of the above categories our lock desk will adjust the lock to reflect the applicable Credit Fee Cap.

The following Conventional LLPA's are subject to Credit Fee Caps:

- FICO/LTV LLPAs for All Loans (> 15 Year Term)
- FICO/LTV LLPAs Cash Out Refinance (All Mortgage Terms)
- High Balance Mortgage Loans
- Investment Property
- Manufactured Homes
- Second Home Mortgages
- Adjustable Rate Mortgages
- Condominium (> 15 Year Term)
- Number of Units

As referenced in Announcement [22-71](#), Pennymac has already implemented system support of the Credit Fee Caps for HomeReady and Home Possible Mortgages.

Support of the Credit Fee Cap on Bulk loans will be coming soon. An additional announcement will be posted once details are available.

Please contact your Sales Representative with any questions.