

Announcement # 23-03

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January Product Highlight | Affordable Lending

It is no secret that borrowers face an affordability crunch today due to higher home prices and higher rates. Pennymac remains committed to promoting affordable housing and furthering homeownership across the nation by continuously evaluating our product offerings. We strive to provide our Correspondents a wide array of mortgage financing options that allow them to best serve borrowers in the current lending landscape.

Pennymac is proud to continue supporting our core set of affordable products, some of which include:

- HomeReady and Home Possible – Fannie Mae and Freddie Mac’s classic low down payment programs for low-to-moderate income borrowers. First time and repeat home buyers can both qualify for this program which has unique pricing advantages, including reduced Mortgage Insurance coverage for LTV >90%. In addition, both programs were expanded recently to have higher LLPA caps so borrowers may enjoy even greater pricing benefits.
- Fannie 97% and HomeOne – These are low down payment programs that all first time home buyers can take advantage of, regardless of income. Reminder that Fannie 97% is built into the standard Conventional program while HomeOne is a separate Specialty Program in P3. Details on both programs can be found in our Standard [Fannie Mae](#) and [Freddie Mac](#) product profiles.
- Community/Affordable Seconds* – These are combined with 1st liens to provide down payment assistance and finance up to 105% CLTV. Furthermore, they can be used in conjunction with HomeReady and Home Possible for even greater benefits.
- USDA Guaranteed – This program serves low to moderate income borrowers in rural areas by providing a zero down payment option

Manufactured Housing

In addition to these staple programs, Pennymac successfully launched Manufactured Homes for Conventional, FHA, and VA product types for all Correspondents in the past year.

Manufactured Homes are widely recognized as a key opportunity to further affordable housing, as a safe and cost effective alternative to site-built homes. Manufactured Homes’ price advantage stems from efficiencies in the home manufacturing process and are backed by HUD’s Code, which ensures the safety and durability of the home.

Furthermore, Pennymac accepts Fannie Mae's MH Advantage and Freddie Mac's CHOICEHome, which allow for even greater financing advantages for manufactured homes without compromising affordability. For more information, please reference our Product Profiles at: www.gopennymac.com/products.

Please contact your Sales Representative with any questions.

*Pennymac itself does not originate Community or Affordable Seconds, but does purchase First Liens associated with these programs.