

**Announcement # 23-16****Date:** February 27, 2023

## Conventional LLPA Waiver Update

Effective immediately for Bulk commitments, 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.

The LLPA waiver will apply 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.

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

In order to get set up and start receiving the pricing enhancement, bid tapes need to include the LLPA Waiver Eligible flag (Y or N) and a sample tape needs to be submitted to [agencytrading@pennymac.com](mailto:agencytrading@pennymac.com) to have the new field mapped.

Please contact your Sales Representative with any questions.