

Announcement # 24-107**Date:** September 30, 2024

Tangible Net Worth Requirement

Starting **January 1, 2025**, Pennymac is raising the required Tangible Net Worth (“TNW”) for all delegated correspondent Clients to \$2.5 million.

Things to know:

- **New TNW Requirement:** \$2.5 million, effective January 1, 2025
- **Evidence of Compliance:** Submit Q1 2025 interim financials within 45 days of quarter end, demonstrating at least \$2.5M TNW.
- **TNW Calculation:** Pennymac uses the HUD TNW calculation method.
- **Unacceptable Assets:** Refer to Chapter 7 of the HUD Handbook for a list of unacceptable assets. Please note that deferred tax assets, prepaid expenses and any asset that is real property, including all land and any buildings attached to it (other than the home office registered with HUD) are specifically listed as unacceptable and should be itemized on your interim statement.

Please contact your Sales Representative with any questions.