

Announcement # 25-119**Date: November 17, 2025**

Fannie Mae Minimum Credit Score Updates

Fannie Mae has announced multiple changes regarding minimum credit score requirements, as well as other policy changes regarding single-close construction-to-permanent loans. Each update is addressed below, along with the corresponding effective date.

Minimum Credit Score Requirements

Minimum credit scores will no longer apply to loans submitted through DU Version 12.0. DU will rely on its own comprehensive analysis of risk factors to determine eligibility.

- Although DU will no longer apply a minimum credit score requirement, Clients are still responsible for ensuring that credit scores for all borrowers are requested from the permitted credit score versions outlined in Fannie Mae Selling Guide section B3-5.1-01, General Requirements for Credit Scores before a loan can be delivered to Pennymac.
- DU will issue a new message when it appears that credit scores from the permitted credit score versions were not ordered.

This update is effective with new casefiles submitted to DU Version 12.0 on or after November 16, 2025.

Pennymac is aligning with this change, except as follows:

- **Fannie Mae Standard, HomeReady, Manufactured Homes, Single-Close Construction-to-Permanent**
 - No minimum credit score requirement.
 - All borrowers may have no credit score (DU Approve/Eligible findings required).
- **Fannie Mae RefiNow:**
 - A minimum 620 representative score for the subject transaction is required.
 - At least one borrower must have a minimum of one score to be eligible.
 - If there is a borrower with no credit score, the borrower(s) with the credit score(s) must contribute more than 50% of the qualifying income.
- **Fannie Mae HomeStyle:**
 - A minimum 680 representative score for the subject transaction is required.
 - At least one borrower must have a minimum of one score to be eligible.
 - If there is a borrower with no credit score, the borrower(s) with the credit score(s) must contribute more than 50% of the qualifying income.

The minimum credit score requirement of 720 for borrowers financing a second home or investment property who will be obligated on 7-10 financed properties has been removed. *This update is effective with casefiles submitted or resubmitted to DU on or after the weekend of November 15, 2025.* Pennymac is aligning with this change.

Additionally, DU's requirements for nontraditional credit documentation and homebuyer education have been updated to no longer rely on credit scores. Instead, DU will issue a message when lenders must establish a

nontraditional credit history and/or complete homebuyer education when no borrower has at least one credit account or installment account reported on their credit report. *This update is effective with casefiles submitted or resubmitted to DU on or after the weekend of November 15, 2025.* Pennymac is aligning with this change.

Single-Close Construction-to-Permanent

The eligibility criteria for the extended age of credit documents have been expanded from 12 months to 18 months when converting a single-close construction-to-permanent loan to permanent financing. Fannie Mae also removed the requirement for a minimum representative score to be eligible for this exception.

- All credit documents must be no more than four months old on the note date (the closing date of the construction loan).
- Income, employment, and credit report documents must be no more than four months old at the time of conversion to permanent financing.
 - **As an exception**, these documents may be more than four months but not exceeding 18 months old at the time of the conversion to permanent financing if the following conditions were met at the time of the original closing of the construction loan:
 - The LTV, CLTV, and HCLTV ratios do not exceed 95%.
 - The loan casefile was underwritten through DU and received an Approve/Eligible recommendation.
- Requalification is required if credit documents exceed the four (or 18) month age of documentation requirement. The updated income, credit, and liability information must be considered.

This update is effective immediately. Pennymac is aligning with this change.

Please contact your Sales Representative with any questions.