PENNYMAC CORRESPONDENT

Delegated Announcement

Announcement # 26-81 **Date: July 21, 2026**

Fannie Mae and Freddie Mac Condominium Updates: Enhanced Reserve Study Requirements and Retirement of Limited/ Streamlined Reviews

Pennymac is aligning with established condominium project review changes and enhanced reserve study requirements announced under Fannie Mae Lender Letter 2026-03 and Freddie Mac Bulletin 2026-C. These changes are effective with applications dated on and after August 3, 2026, and may be implemented immediately.

Fannie Mae "Limited" and Freddie Mac "Streamlined" Project Reviews - Retired
Limited and Streamlined project reviews are being retired. Established projects now require a full review, unless eligible for a "Waiver of Project Review" (Fannie Mae) or "Exempt from Review" (Freddie Mac). DU and LPA feedback messages are being updated to support this change.

Reserve Study Requirement Changes
When using a reserve study to demonstrate a project has sufficient reserves, requirements have been updated to clarify that:

- The project's budget must include the highest recommended reserve allocation amount in the reserve study.
- The baseline funding method is no longer permitted

Refer to FNMA LL-2026-03 and Freddie Mac Bulletin 2026-C for details. Note that Fannie Mae's policy update is not yet reflected in the Selling Guide.

Please contact your Sales Representative with any questions.