PENNYMAC CORRESPONDENT

Delegated Announcement

Announcement # 26-84 **Date:** July 23, 2026

FHA Standard and Limited 203(k) Program Changes

FHA has released FHA Info 2026-13/Mortgagee Letter 2026-06, updating the guidelines for both the Standard and Limited 203(k) programs. These changes may be applied immediately.

Standard 203(k) Program:

- Clarifies that multiple disbursements are allowed per draw (up to the maximum of 5 draws).
- **Note:** A draw with multiple disbursements still only counts as one draw.

Limited 203(k) Program:

- Permits a maximum of four draw requests per contractor, consisting of the initial draw at closing, no more than two intermediate draws during the rehabilitation process, and release of the final draw (increased from two).
- Two separate disbursements are allowed per each of the maximum four draws (a draw with two disbursements still only counts as one draw).
- Any rehabilitation or remodeling activity requiring more than 4 draws per contractor is considered a "major" repair and is ineligible.

Refer to FHA Info 2026-13 and Mortgage Letter 2026-06 for additional information and complete requirements.

Please contact your Sales Representative with any questions.