

Announcement # 23-22

Date: April 11, 2023

## Conventional Credit Fee Cap – System Support

Pennymac is pleased to announce we have released system support for Conventional Credit Fee Caps. Effectively immediately, new Best Effort locks can be locked with the appropriate LLPAs being capped.

Categories eligible for Credit Fee Caps based on Area Median Income and Duty to Serve Requirements

- **First Time Home Buyer + AMI requirements**
  - At least one borrower is a First Time Home Buyer
  - AMI is  $\leq 100\%$ , or  $\leq 120\%$  in High Cost areas
  - Primary Residence/Owner Occupied
  
- **Duty to Serve + Manufactured Home Property Type**
  - AMI is  $\leq 100\%$
  - Primary Residence/Owner Occupied
  - Purchase or Limited Cash Out Refinance
  - Manufactured Home Property Type
  
- **Duty to Serve + High Needs Rural Area**
  - AMI is  $\leq 100\%$
  - Primary Residence/Owner Occupied
  - Purchase or Limited Cash Out Refinance
  - Property is in area identified as High Needs Rural

A new “LLPA Waiver Eligible” checkbox is now available in P3. When checked, the appropriate GSE LLPAs will be capped. Area Median Income and Duty to Serve eligibility should be confirmed before selecting the loan is eligible for the LLPA waiver. Once the loan is delivered, before the loan is purchased, our system will confirm eligibility. If the loan is not eligible for the Credit Fee Cap the loan will be repriced and the cap will be removed.

Detailed information of our system support for Credit Fee Caps can be found in the Credit Fee Cap P3 Resource Guide.

Please contact your Sales Representative with any questions.