PENNYMAC TPO

Non-Delegated Announcement

Announcement #26-119 **Date:** November 20, 2026

Closed End Seconds Interest Only Enhancement and FICO Floor Update

Pennymac is pleased to announce new enhancements to our Closed-End Seconds Mortgage program. An interest-only payment option is now available for loan applications dated on or after November 20, 2026. Additionally, the minimum qualifying FICO score has been lowered to 700 for certain primary residence transactions.

Program Features:

- Interest Only: Fixed 30-year term with a 10-year interest only term
  - Primary Residence available for 1-2 unit properties with loan amounts up to $500,000, a maximum CLTV of 80%, and a maximum DTI of 50%.
  - Second Home available for 1-unit properties with loan amounts up to $250,000, a maximum CLTV of 80%, and a maximum DTI of 50%.
  - Investment Property available for 1-unit properties with loan amounts up to $250,000, a maximum CLTV of 70%, and a maximum DTI of 45%.
- For standard fixed rate loan terms, the minimum FICO requirement is lowered from 720 to 700 for Primary residence transactions with loan amounts from $250,000 to $500,000.

Please refer to the updated Closed-End Seconds product profile for complete guidelines and details.

Please contact your Sales Representative with any questions.