

**Announcement #24-68****Date:** August 09, 2024

## **Fannie Mae and Freddie Mac: Turn-key Investments Update**

Effective for new applications dated on or after August 9, 2024, Pennymac is removing the “Turn-key Investments” requirement from Freddie Mac and Fannie Mae product profiles.

Pennymac expects Correspondents to continue to apply due diligence in identifying red flags associated with mortgage transactions that include, but are not limited to, the following scenarios:

- Property sellers who are an LLC that re-sell distressed properties at a non-distressed valuation
- Property sellers or related entity who enters into an agreement to manage the property on behalf of the borrower
- Borrowers who frequently lives out of the area from the subject property

**Note:** Pennymac will continue to monitor pipeline for red flags.

Please contact your Sales Representative with any questions.