

Announcement #24-96

Date: October 18, 2024

AUS Jumbo: Appraisal Requirements - Additional Valuation Assessment Options

On August 14th, 2024, Pennymac issued [announcement 24-70](#) detailing secondary valuation requirements for single appraisals for AUS Jumbo loan transactions effective for new applications dated on and after August 30th, 2024.

On October 18th, 2024, additional valuation assessment options are being added to the AUS Jumbo product profile to provide additional flexibility and to assist lenders in complying with the new requirements. These new valuation options are available immediately for existing and new applications.

- All single appraisals require a secondary valuation assessment to be completed prior to the note date, with one of the following conditions satisfied:
 - A Fannie Mae Collateral Underwriter® (CU) Score of ≤ 2.5 and a Freddie Mac Loan Collateral Advisor® (LCA) score of ≤ 2.5 is required
 - If CU returns no score (999), an LCA ≤ 2.5 is sufficient. If LCA returns no score (99), a CU score ≤ 2.5 is sufficient.
 - If two scores are obtained and either score is > 2.5 , another assessment option referenced below is required.
 - Clear Capital or Pennymac Home Value Estimator (HVE) AVM with an estimated value that is $\geq 90\%$ of the appraised value and FSD $\leq 13\%$
 - If the AVM supports the appraised value, a copy or screenshot of the AVM result, including the date, property address, estimated value, and FSD must be retained in the loan file.
 - Clear Capital Collateral Desktop Analysis (CDA) with a value that is $\geq 90\%$ of the appraised value
 - If the CDA supports the appraised value, the report must be retained in the loan file.
 - **New:** Field Review with a value that supports the original appraised value
 - If the field review supports the original appraised value, the report must be retained in the loan file.
 - **Updated:** If none of the secondary valuations conditions above can be met, an exterior appraisal or second full appraisal is required
 - The lower of the first and second (exterior or full) appraisal values must be used as the appraised value in the LTV calculation.
 - If both an exterior and second full appraisal are obtained, the lower of the second full appraisal value and the original appraisal value must be used as the appraised value to determine LTV.

Please contact your Sales Representative with any questions.