NON-QM EXCEPTION PROCESS

JOB AID

PENNYMAC CORRESPONDENT

GUIDELINE EXCEPTION PARAMETERS

A+/A/A-	DSCR	What We Won't Do
No Exceptions Allowed (on loans with these parameters)	**No Exceptions Allowed** (on loans with these parameters)	

• >80% LTV/CLTV & <760 Credit Score
• <700 Credit Score and
  ○ Loan Amt >$1M
  ○ OR >75% LTV/CLTV
• Short Term Rental (STR) & >70% LTV/CLTV
• Rural Property & >75% LTV/CLTV
• >$2M Loan Amt and
  ○ >75% LTV/CLTV
  ○ OR <740 Credit Score
• >$3M Loan Amount
• Reserves < Program Minimum and
  ○ <700 Credit Score
  ○ OR >75% LTV/CLTV
  ○ OR >$1M
  ○ OR <2 Months Reserves
• First Time Homebuyer and
  ○ <700 Credit Score
  ○ OR >80% LTV/CLTV
• Interest Only and
  ○ <700 Credit Score
  ○ OR >85% LTV/CLTV
	• >80% LTV/CLTV
	• <700 Credit Score and
	  ○ Loan Amt >$1M
	  ○ OR >70% LTV/CLTV
	  ○ OR DSCR Ratio <1.0
	• Short Term Rental (STR) and
	  ○ >70% LTV/CLTV
	  ○ OR DSCR Ratio <1.0
	• Rural Property
	• >$2M Loan Amt
	• Reserves < Program Minimum and
	  ○ DSCR Ratio <1.0
	  ○ OR <700 Credit Score
	  ○ OR >75% LTV/CLTV
	  ○ OR >$1M
	  ○ OR <2 Months Reserves
	• First Time Investor and
	  ○ DSCR Ratio < 1.0
	  ○ <700 Credit Score
	• First Time Homebuyer
	• Interest Only and
	  ○ <700 Credit Score
	  ○ OR >70% LTV/CLTV
		• P&L Only Income
		• Foreign Nationals
		• ITIN Borrowers
		• Loan Amounts
		• < $150,000 for A+, A, & A-
		• < $125,000 on DSCR
		• Condotels
		• Manufactured Homes
		• Co-ops
		• SFR < 700 Square Feet
		• > 20 Acres
		• Mixed Use
		• 5-10 Units (Small Commercial)

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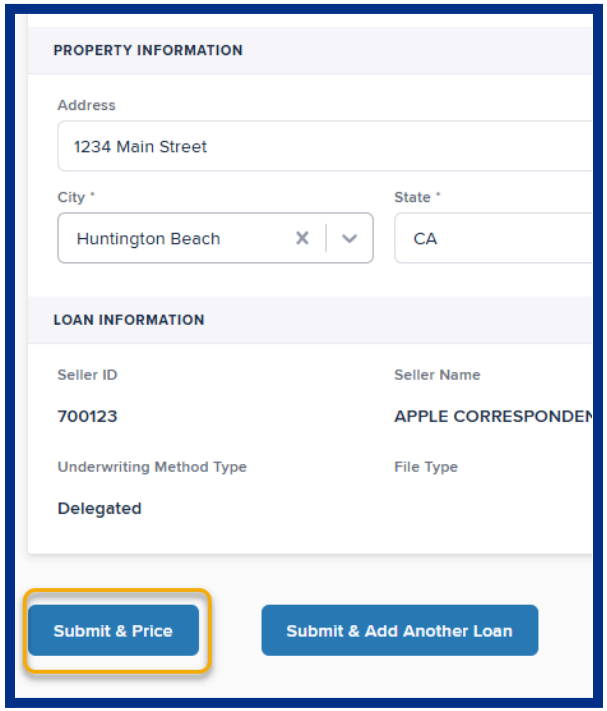
ELECTRONIC EXCEPTION REQUEST FORM

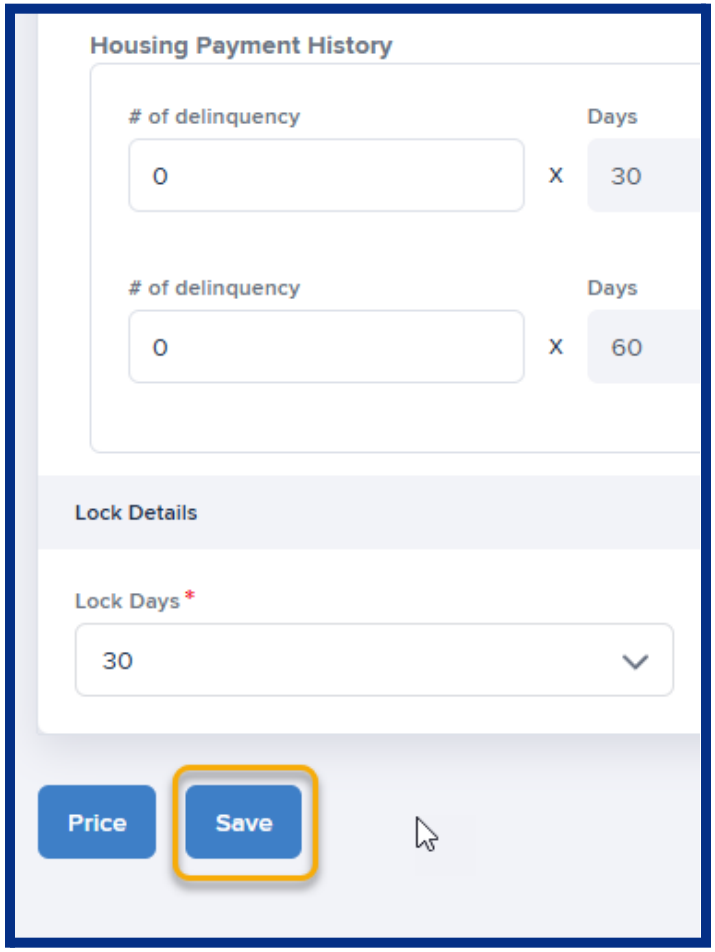
Pennymac has made the process of requesting a Non-QM underwriting exception simple, efficient, and reliable. Follow the below path to receive a prompt response to exception requests and any pricing impacts associated with the exception approval.

1. Click **Add New Loan** in P3

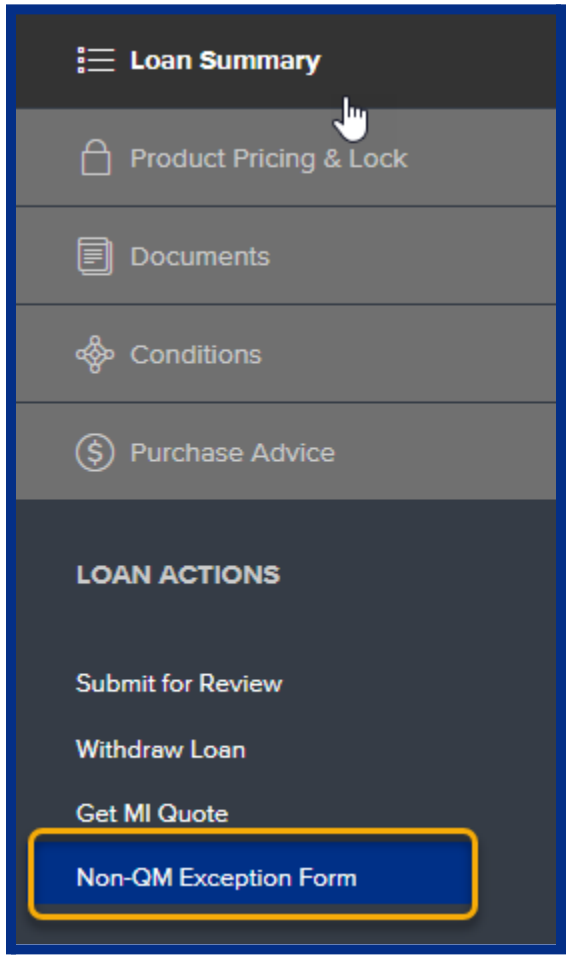
2. Complete the screen and click **Submit & Price**



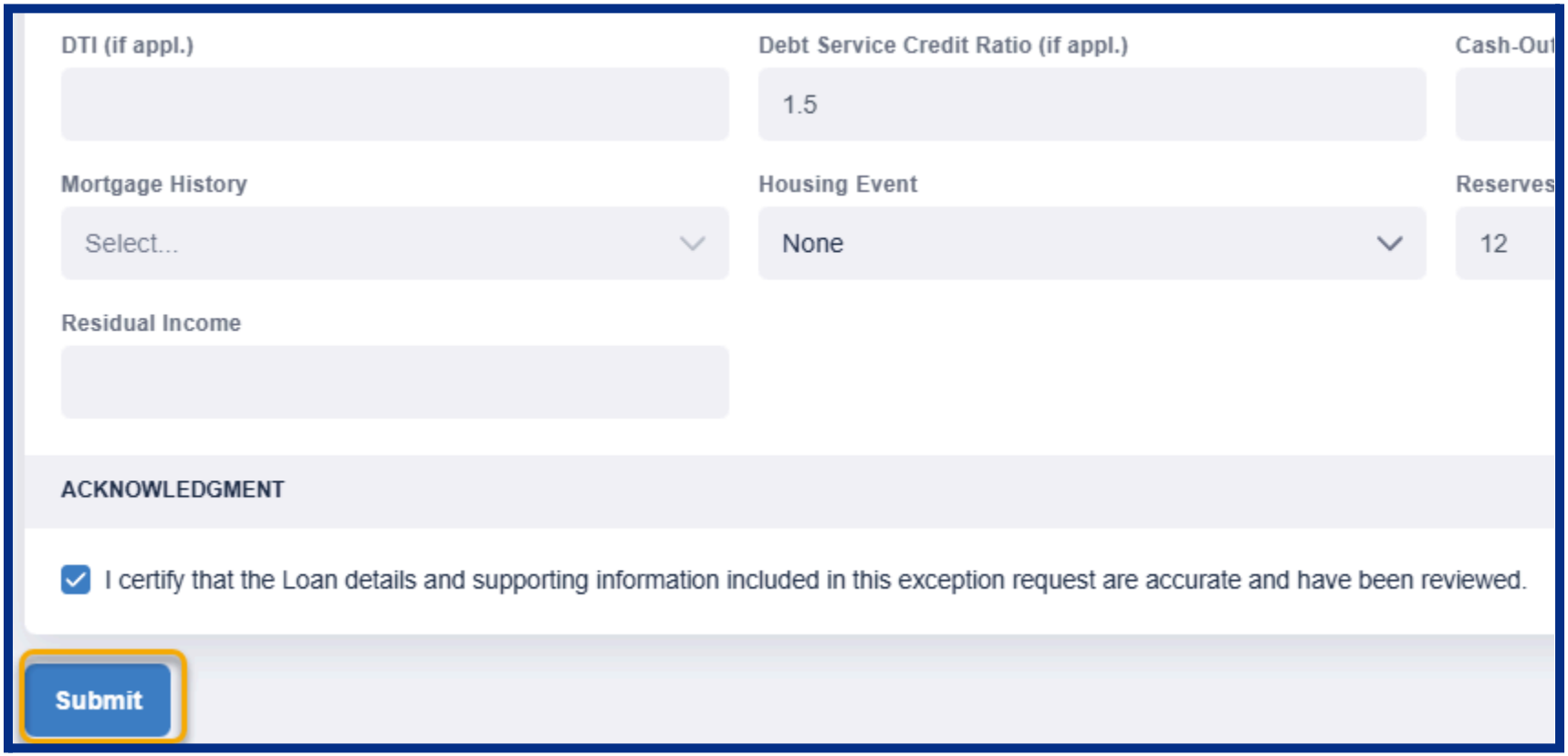
3. Complete the **Product Pricing & Lock** Screen and click **Save**



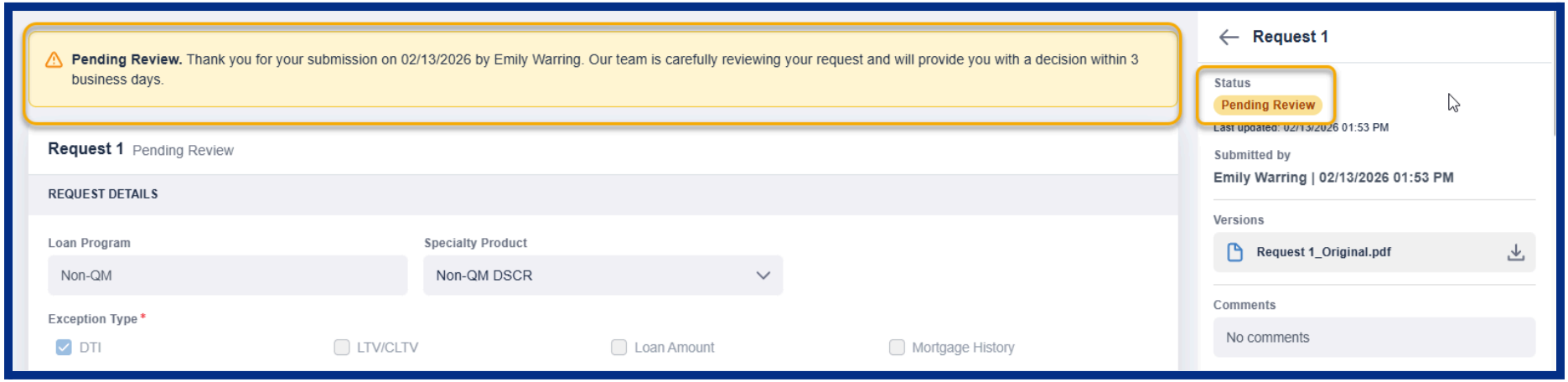
4. Click the **Non-QM Exception Form** on the left navigation menu



5. Complete the Non-QM Exception Form, providing as much detail as possible and upload all supporting documentation. Then click **Submit.**



6. Once the exception is submitted, you will get a **Pending Review** message and the status will update accordingly.



IMPORTANT NOTES

1. You cannot access the **Non-QM Exception Form** from the **Pricing Scenarios** dropdown. You must **Add New Loan** and follow the above outlined steps
2. You need to price the loan before accessing the **Non-QM Exception Form**, otherwise you will get an error message, directing you back to the pricing screen

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