

Announcement # 24-132

Date: December 20, 2024

Update to VA Seasoning Requirements

VA recently updated Chapter 6, Topic 3 of their handbook, Cash-out Refinances. As a part of the update, refinance seasoning requirements were clarified. Pennymac is aligning with the seasoning clarifications which impacts all refinance types, including IRRRLs. These changes are effective with new applications dated on or after January 6, 2025.

The seasoning updates are highlighted below and do not address all requirements. On and after January 6, 2025, refer to the applicable Pennymac product profile for complete seasoning requirements. In the meantime, refer to this [temporary link](#) to preview complete seasoning requirements.

IRRRLs

- Standard Mortgage (not modified): Updated requirements to reflect six full consecutive monthly payments have been made in the month in which they were due (previous guidance did not include "consecutive" payments).
- Modified Mortgage: Updated requirements to reflect that modified mortgages must satisfy the seasoning requirements of the original note and the modified note.

Cash-out Type I

- VA-to-VA Standard Mortgage (not modified): Updated requirements to reflect six full consecutive monthly payments have been made in the month in which they were due (previous guidance did not include "consecutive" payments).
- VA-to-VA Modified Mortgage: Updated requirements to reflect that modified mortgages must satisfy the seasoning requirements of the original note and the modified note.
- Added guidance outlining Non-VA guaranteed to VA refinances seasoning requirements for both standard (not modified) and modified mortgages.

Cash-out Type II

- VA-to-VA Standard Mortgage (not modified): Clarified that *the later of* the first monthly payment was made *or* the first monthly payment due is 210 days or more prior to the note date of the new loan (previous guidance only reflected payment due date).
- Added guidance outlining Non-VA guaranteed to VA refinances seasoning requirements for both standard (not modified) and modified mortgages.

Please contact your Sales Representative with any questions.

