

Announcement # 25-105**Date:** October 10, 2025

Non-QM Program Updates

Pennymac is clarifying guidance for our Non-QM program, effective with new locks on and after October 10, 2025. The changes include, but are not limited to the following:

Financing Concessions / Interested Party Contribution (IPCs) (all products)

- Principal residence / second home: Maximum IPCs are 6%.
- Investment property: Maximum IPCs are 2%.

Housing Payment History (all products)

- A credit report cannot be used to evidence housing payment history. **However**, any negative housing payment history reflected on the credit report must be considered.

Borrower Eligibility (all products)

For Limited Partnerships (LP), General Partnership (GP), Corporations (CORP), and Limited Liability Companies (LLC) the following clarifications have been added:

- No additional individuals may be included on title or be obligated on the subject loan.
- Entity signature requirements:
 - Several updates were made regarding note signature requirements. Please refer to the product profile for complete details.
 - Personal guaranty agreements must always be signed as an individual.

Reserves Requirements (A-, A, A+ products)

- The reserve requirements have been updated to provide greater clarity. The requirements include, but are not limited to, the following:
 - Subject property reserve requirements as outlined on the product profile; **and**
 - Two months reserves for each additional financed property; **and**
 - Additional reserves, as applicable, for non-occupant borrowers and departing residences.
 - Refer to the product profile for complete reserve requirements.

Refer to the product profiles for complete program requirements. Please contact your Sales Representative with any questions.