

Announcement # 25- 135**Date:** December 22, 2025

Non-QM Program Updates

Pennymac is updating guidance for our Non-QM program, effective with new applications dated on or after December 22, 2025. These updates include, but are not limited to, the following:

Rate and Term Refinance

- Incidental cash-back requirements have been updated to the **lesser of \$5,000 or 2% of UPB**.
 - Note: Previous guidance used the greater of these amounts.

Recently Listed Properties

- Guidance for cash-out and rate and term refinance transactions has been updated to allow greater flexibility. Requirements for both transaction types are now aligned as follows:
 - Properties listed within 6 months of the note date of the subject transaction may not be currently listed at the time of loan application.
 - A signed LOE from the borrower along with evidence of the listing cancellation are required.
 - Properties listed multiple times within the past 12-month period **are ineligible**.
- Note: Previously, rate and term refinances were ineligible if the subject property was listed within 6 months of the note date, and cash-out refinances were ineligible if listed within 12 months of the application date.

Bank Statement Program (A-, A, A+ programs)

- Component sources of income, including but not limited to sources such as alimony, child support, trust income, rental income, etc., are **no longer eligible** under the bank statement program.
- New language has been added to the product profile to clarify the program's general eligibility requirements:
 - The bank statement program is designed for borrowers with an active U.S.-based business that is generating stable revenue. Borrowers who only receive income from passive or portfolio sources are ineligible (e.g., rental property income, distributions from limited partnerships, day trading, property flippers, alimony, etc.).

Self-Employed Borrowers (A-, A, A+ programs)

- Self-employed borrowers qualifying with tax returns **may now include** interest, dividends, and capital gains as qualifying income.
 - Note: Previously, these income sources were ineligible.

Miscellaneous Updates

- Language updates have been made to the following topics for clarification purposes only; there are no material changes:

- Layered Entities: Clarified language and included an illustrative example.
- Entity Signatures: Clarified signing requirements.
- Condominiums: Clarified project review and documentation requirements.

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