

Announcement #25-47**Date:** May 09, 2025

Adjustable-Rate Mortgages Now Eligible for the AUS Jumbo Program

Pennymac is pleased to announce the expansion of our Pennymac AUS Jumbo program to include Adjustable-Rate Mortgages (ARMs). Effective for new loan applications dated on or after 05/09/2025, the following SOFR (Secured Overnight Financing Rate) ARM terms will be offered under the AUS Jumbo program:

SOFR ARM Requirements

- 5/6-month, 7/6-month, and 10/6-month SOFR-indexed ARMs (30-day average, NY Fed.)
- Margin 2.75%
- Adjustment period, 6 months
- Cap Structure
 - 5/6 ARM: 2/1/5
 - 7/6 and 10/6 ARM: 5/1/5
- Lookback period, 45 days
- Qualifying Rate
 - 5/6 ARM: The greater of the fully indexed rate or note rate + 2%
 - 7/6 and 10/6 ARM: No less than the note rate
 - State based restrictions: IL, MD, MA, MN, NM, and PA must qualify at the greater of the note rate or fully indexed rate.

Note: The fully indexed rate is the sum of the index plus margin, rounded to the nearest .125%

SOFR ARM eligibility requirements include but are not limited to the following:

- Primary and Second homes only
- Maximum 80.00% LTV/CLTV
- Maximum 45.00% DTI
- Maximum \$2,500,000 loan amount
- Temporary buydowns are ineligible.
- 30-year amortization only
- All loans must meet QM requirements regardless of AUS determination
 - 5/6 ARMs: An "Approve or Accept/Ineligible" (ineligible for loan amount only) AUS finding may differ from the eligibility requirements for the purpose of meeting QM.
 - The APR calculation requires the use of the maximum interest rate that would apply during the first five years as the interest rate for the full term of the loan.

Please reference the AUS Jumbo product profile for full product requirements.

Please contact your Sales Representative with any questions.