

Announcement #26-26

Date: March 27, 2026

## Non-QM Program Updates

Effective for new loan applications dated on and after March 27, 2026, Pennymac is implementing several changes to our Non-QM program guidelines, including but not limited to the guidance outlined below:

### All Non-QM Programs (A-, A, A+, and DSCR)

- **Credit & Documentation:**
  - The age of documentation requirement has been increased to 120 days (previously 90 days). This includes credit reports, employment, income, and asset documents.
  - Private party Verifications of Mortgage (VOMs) and non-institutional Verifications of Rent (VORs) are now allowed with additional documentation.
- **Assets:**
  - Ownership requirements for borrowers using business assets for qualification purposes have been reduced to 25% ownership (previously 50%).

### A-, A, A+ Programs

- **Income & Assets:**
  - The large deposit threshold has been increased to 100% of monthly income (previously 50%).
  - The business bank statement program has been updated to allow a minimum of 25% ownership (previously 50%).
- **Non-Arm's Length Transactions:**
  - Non-arm's length transactions are now eligible for primary residence purchase transactions, subject to the following restrictions:
    - Renter purchasing from landlord: Requires 12 months of canceled checks evidencing on-time payments. A VOR is not acceptable.
    - Purchase between family members: Requires a fully executed gift letter if a gift of equity is involved (the equity credit must be on the CD), verification of earnest money, and a 12-month mortgage history on the existing mortgage to confirm it is not a foreclosure bailout.
- **Credit:**
  - Credit inquiry guidance has been updated: If new credit was extended, a new credit score does not need to be obtained. If a new report or score is obtained, the following is required:
    - The new score must be used for qualification purposes.
    - The new payment and terms must be included in the DTI in all cases.

### DSCR Program Only

- **Cash-Out Refinances:**
  - Ownership seasoning has been reduced to a minimum of 6 months (previously 12 months), measured from the original acquisition date of the property to the note date of the subject transaction.
- **Credit:**
  - Credit inquiry guidance has been updated: If new credit was extended, a new credit score does not need to be obtained. If a new report or score is obtained, the new score must be used for qualification purposes.

- Housing payment history for other REO has been updated as follows:
  - For mortgages appearing on the credit report or other documentation in the file, a 0x30x12 history is required.
  - Mortgages not appearing on the credit report or other documentation in the file do not require validation. **The mortgages must be included in the REO count and UPB limit.**

Refer to the updated product profiles for complete requirements.

Please contact your Sales Representative with any questions.