



Announcement 15-37

Date: June 16, 2015

Topic: Freddie Mac Bulletins 2015-7 and 2015-6: Updates to Qualifying Income Requirements and LTV Ratios with Secondary Financing

Bulletin 2015-7: Qualifying Income Requirements

For conforming LP approved transactions, effective with LP feedback certificates dated on or after July 19, 2015, PennyMac is aligning with Freddie Mac's updates to certain income requirements. The changes include updates to:

- Retirement income
- Long-term disability income
- Survivor and dependent benefit income
- Social Security Supplemental Security Income (SSI), and
- Public Assistance income.

The updated requirements include but are not limited to, providing evidence of the source, benefit type, pre-determined payment amount, payment frequency, current receipt and proof of continuance. Due to the multiple variables inherent with these income types, the history of months' receipt necessary to justify a stable monthly qualifying income amount may vary from zero to 24 months. PennyMac will allow newly established sources for these income types that will commence prior to the first payment due date and not require verification of current receipt, as documented on the benefit verification letter, notice of award letter, or other equivalent documentation.

LP will be updated July 19, 2015 to support these changes.

Bulletin 2015-6: LTV Ratios with Secondary Financing

Currently, Freddie Mac requires a 5% reduction in LTV when a loan has secondary financing.

For conforming LP approved transactions, effective with LP feedback certificates dated on or after September 1, 2015, PennyMac is aligning with Freddie Mac's updates to maximum LTV with secondary financing. Freddie Mac is eliminating the separate lower LTV ratio requirements for mortgages with secondary financing, thereby making the LTV/CLTV requirements the same. Per Freddie Mac Bulletin 2015-6, LP will be updated with the LTV changes by September 1, 2015, and PennyMac will continue to require an LP accept recommendation.

Please contact your Sales Representative with any questions.