



**Announcement 15-51**

**Date: September 25, 2015**

**Topic: Funding for USDA Rural Housing 2016 Fiscal Year**

Per the Fiscal Year 2016 Commitment Notice released September 24, 2015, funding for the USDA Rural Housing Loan Program will not be available for a short period of time at the beginning of Fiscal Year 2016, which begins October 1, 2015. During the temporary lapse of funding, Rural Housing will issue Conditional Commitments “subject to the availability of commitment authority” for purchase and refinance transactions.

PennyMac will continue to purchase USDA Rural Housing loans with Conditional Commitments subject to the availability of commitment authority. Correspondents must ensure all standard Reps and Warrants, and underwriting requirements, are met. The Loan Note Guaranty will be required as a post-purchase stipulation.

As a reminder, all loans obligated by USDA Rural Housing on or after October 1, 2015, will require an upfront guarantee fee of 2.75 percent accompanied by an annual fee of 0.5 percent, applicable to all Rural Housing transactions.

Please contact your Sales Representative with any questions.