



Announcement 16-33

Date: September 9, 2016

Topic: Update to GSE ARM Notes and Riders

Effective with ARM Notes issued on or after October 1, 2016, PennyMac is aligning with Fannie Mae and Freddie Mac and will be requiring the use of the ARM Notes and Riders with a revision date of 6/16. These recently updated ARM Notes and Riders include new language indicating the interest rate can never go below the ARM's margin.

Lenders are encouraged to use the updated ARM Notes and Riders immediately, but must do so with ARM Notes issued on or after October 1, 2016. Fannie Mae and Freddie Mac have models available on their respective websites. Additional information regarding the use of the updated ARM Notes and Riders can be found in Fannie Mae SEL 2016-05 and Freddie Mac Bulletin 16-12.

Please contact your Sales Representative with any questions.