



Announcement 16-35

Date: September 26, 2016

Topic: Funding for USDA Rural Housing 2017 Fiscal Year

Per the Fiscal Year 2017 Commitment Notice released September 22, 2016, funding for the USDA Rural Housing Loan Program will not be available for a short period of time at the beginning of Fiscal Year 2017, which begins October 1, 2016. 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, 2016, will require an upfront guarantee fee of 1 percent accompanied by an annual fee of 0.35 percent, applicable to all Rural Housing transactions.

Please contact your Sales Representative with any questions.