



Announcement 17-13

Date: April 21, 2017

Topic: Transactions Involving Intra-Family Purchases

PennyMac has seen a recent trend involving intra-family purchases as a means to obtain cash-out for the seller while avoiding cash-out qualifications and pricing. While at face value these transactions may seem to meet Agency guidelines, transactions of this type are not bonafide purchase transaction and therefore not eligible for purchase by PennyMac, regardless of the loan program.

Unacceptable transactions of this type may have some or all of the following characteristics:

- Gift of equity from the seller
- Large amount of seller credits
- Family member remaining in the home and on title after the “purchase”
- Seller unable to qualify for a cash-out transaction of their own

Please contact your Sales Representative with any questions.