



Announcement 17-23

Date: June 26, 2017

Topic: FHLMC Bulletin 2017-7 and 2017-8: Appraisal Waiver and Condo/PUD Updates

PennyMac is aligning with the updates announced in Freddie Mac Bulletins 2017-7 and 2017-8, including but not limited to the following. Effective dates are included below.

Automated Collateral Evaluation

Effective with Loan Product Advisor (LPA) runs dated on or after June 19, PennyMac is aligning with Freddie Mac's Automated Collateral Evaluation which provides the lender with the option to waive the appraisal requirements for certain loans. Eligible properties must include all of the following:

- 1 unit, primary or secondary residence,
- 80% or less LTV/TLTV,
- Rate-and-Term refinance, and
- LPA provides eligibility message

Lenders remain responsible for ensuring an appraisal is obtained when required, regardless if LPA approves the appraisal waiver. Appraisals are required in the following situations:

- Subject property is a condo, or leasehold,
- Subject property is subject to resale restrictions,
- Relief Refi or Open Access transactions,
- The lender is required by law or regulation to obtain an appraisal (such as Texas (a)(6) transactions), or
- The subject property is impacted by a disaster or hazardous substance

Full requirements can be found in Freddie Mac's Seller Guide.

Detached Condo and PUD Requirements

Effective immediately, PennyMac is aligning with Freddie Mac's updates to detached condo and PUD reviews. Detached condos no longer need to be reviewed for compliance with ineligible projects, adequacy of liability, fidelity or employee dishonesty insurance. In addition, effective immediately, PUD projects no longer require insurance on common elements when the insurable value of the common elements is minimal or does not exist.

Please contact your Sales Representative with any questions.