



Announcement

Announcement # 18-59

Date: December 10, 2018

Topic: DU RELEASE: Version 10.3

PennyMac is aligning with the updates identified in DU release Version 10.3. Updates include but are not limited to:

Rural High-Needs Appraisal Waiver

DU will be updated to offer appraisal waivers for certain home purchase transactions in designated rural high-needs areas. Effective with loans submitted or resubmitted to DU on or after the weekend of December 8th, PennyMac will be aligning with this update and accept the Rural High Needs Appraisal Waiver. DU will issue the rural appraisal waiver, when applicable, on DU Version 10.2 and 10.3 loan casefiles.

Lenders must comply with all the DU and Fannie Mae requirements for using the Rural High Needs Appraisal Waiver, including the requirement for an acceptable home inspection. Please see Fannie Mae announcement 2018-07 and Fannie Mae Selling Guide Section B4-1.4-10 for complete details.

Properties Valued at \$1,000,000 or Greater

DU is being updated to no longer allow appraisal waivers on refinance transactions when the estimated value of the property (as provided to DU) is \$1,000,000 or more. This update will only impact new casefiles created on or after the weekend of December 8th.

DU Risk Assessment Update

Currently, Fannie Mae does not have a standard reserve requirement for cash-out transactions.

Effective with DU case files submitted or resubmitted on or after the weekend of December 8, DU 10.3 will require a minimum of six months reserves for all cash-out transactions with DTIs over 45%.

Retirement of DU Version 10.1

With the release of DU Version 10.3, DU Version 10.1 will be retired. Effective the weekend of December 8, 2018, Lenders will no longer be able to resubmit loan casefiles to DU Version 10.1. To obtain an updated underwriting recommendation after the weekend of December 8, Lenders must create a new loan casefile and submit to DU.

Please contact your Sales Representative with any questions.