Announcement

Announcement # 20-02

Date: January 13, 2020

Topic: Freddie Mac Bulletin 2019-20, 2019-25 and Fannie Mae SEL 2019-09

PennyMac is aligning with Freddie Mac's updates announced in Bulletins 2019-20, 2019-25 and Fannie Mae's SEL 2019-09, with the exception of all manufactured home requirements. Effective dates are included below. Updates include but are not limited to the following.

Freddie Mac

Income Requirements

Currently, Freddie Mac requires borrowers to have at least a two-year history of primary employment, with a shorter history permitted in certain instances.

Effective for conforming LPA approved transactions delivered on and after February 15, 2020, PennyMac is aligning with Freddie Mac's income updates in Bulletin 2019-20, requiring that borrowers with fluctuating hourly employment have at least a 12-month documented employment history to be eligible for qualification.

In order for the income to be considered non-fluctuating, a documented six month history of working the same of number of hours with the same employer is required.

Please see Freddie Mac's Seller Guide sections 5301.1, 5303.2, 5303.4 and Bulletin 2019-20 for complete information.

Fannie Mae

Property Tax Calculation

Currently, Fannie Mae requires that property taxes must be estimated based on the land value and proposed improvements when the subject property is a new construction.

Effective for conforming DU approved transactions with applications dated on or after March 1, 2020, PennyMac is aligning with Fannie Mae's clarification in SEL 2019-09 that property taxes on any **purchase** transaction or new construction must be calculated based on the market value of the land and completed improvements of the property.

As a reminder, the same amount of property taxes used to qualify must also be used to establish the borrower's escrow account.

Please see Fannie Mae's Selling Guide section B3-6-03 and SEL-2019-09 for complete information.

Please contact your Sales Representative with any questions.