



Announcement

Announcement # 20-43

Date: June 26, 2020

Topic: Fannie Mae's Updated Lender Letters 03/04 dated June 11, 2020, SEL 2020-03, Freddie Mac's Bulletin 2020-20, 2020-23 and Amendment to PennyMac's Announcement #20-38

Effective immediately, PennyMac is aligning with the updates announced in Fannie Mae's Updated Lender Letters 03/04 dated June 11, 2020, SEL 2020-03 and Freddie Mac's Bulletins 2020-20, 2020-23 including but not limited to the below.

Extension of Temporary Policies

PennyMac is aligning with the extension of temporary policies related to COVID-19 as announced in Fannie Mae's Updated Lender Letters 03/04 dated June 11, 2020 and Freddie Mac's Bulletin 2020-23. The temporary policies have been extended and are now applicable for loans with application dates on or before July 31, 2020.

As a reminder, paystubs and bank statements are not an eligible alternatives to verbal verifications of employment for any loan delivered to PennyMac.

Update to Lease Review Requirements

PennyMac is aligning with the updated guidance for lease agreements announced in Fannie Mae's SEL 2020-03. Lenders may follow the guidance in the Selling Guide announcement to ensure that rental property leases do not adversely impact the first lien position or enforceability of the lien. It is now at the lender's discretion on how to determine these requirements are met. As a reminder, lenders are still responsible for making the representations and warranties related to title, marketability and lien position as required by the Selling Guide.

Update to Escrow Requirements on Limited Cash-Out Refinances

PennyMac is aligning with the updated guidance in Fannie Mae's SEL 2020-03 for when an escrow account must be established. Effective immediately, Fannie Mae Limited Cash-Out refinances will no longer require an escrow account to be established when lenders include non-delinquent property taxes for the subject property in the loan amount. As a reminder, Lenders must still abide by any additional guidelines for escrow accounts as required by law or the Selling Guide. Lenders are encouraged to consult with their compliance department and review the Fannie Mae Selling Guide to make sure loans with escrow accounts meet all requirements prior to delivery to PennyMac.



Announcement

Amendment to PennyMac's Announcement #20-38

PennyMac is issuing a correction to announcement #20-38 to state that the updates in this announcement are effective with all refinance transactions with **application dates on or after June 2, 2020**. Please see Fannie Mae's Updated Lender Letter 2020-03 dated May 19, 2020 and Freddie Mac's Bulletin 2020-17 for complete details.

Please contact your Sales Representative with any questions.