



# Announcement

## Announcement # 21-59

**Date:** 07/26/2021

### **Topic: Fannie Mae SEL 2021-06 and Freddie Mac Bulletin 2021-25**

PennyMac is aligning with all the Fannie Mae updates announced in SEL 2021-06 and Freddie Mac Bulletin 2021-25. The updates include but are not limited to the following:

#### **Fannie Mae**

##### Asset Documentation Requirements for Refinance Transactions

Fannie Mae has reduced certain documentation requirements related to refinance transactions.

Effective immediately, for limited cash-out and cash-out refinance transactions, only a bank statement or investment portfolio statement covering the most recent one-month period of account activity is required.

DU will be updated in a future release. Until that time, the new requirement may be applied to DU loan casefiles.

#### **Freddie Mac**

##### Gift Funds Used to Pay Borrower's Earnest Money Deposit

Currently, Freddie Mac requires that in all cases gift funds be transferred directly from the donor's account in a financial institution into the borrower's account or to the settlement or closing agent.

Effective immediately, Freddie Mac has expanded their requirements to now allow a gift donor to pay the borrower's earnest money deposit (EMD) directly to the builder or real estate agent if evidence of the transfer of funds from the donor's account in a financial institution to the EMD holder is provided.

All other gift fund requirements in Freddie Mac Guide Section 5501.3 continue to apply.

Note: For any loan where the source of the borrower's EMD is gift funds, the EMD amount must be entered as gift funds in LPA and not as EMD. Refer to Freddie Mac's Learning LPA resource page for additional information.



Announcement

Please contact your Sales Representative with any questions.