



Announcement 17-64

Date: December 21, 2017

Topic: FHA ML 2017-18 Updates to PACE Lien Requirements

Currently FHA allows Property Assessed Clean Energy (PACE) liens to remain secured against the subject property, subject to restrictions.

For all FHA loans with case numbers assigned on or after January 7, 2018, PennyMac is aligning with FHA's guidelines and will no longer allow PACE liens to remain secured against the subject property. For purchase transactions, PACE liens must be paid off prior to or at close by the property seller. For full document rate-and-term refinance and cash-out transactions, the PACE lien may be included as part of the maximum mortgage calculation. For streamline transactions, the PACE lien may not be included as part of the maximum mortgage calculation, the borrower will need to pay off the PACE lien with his/her own funds.

Please contact your Sales Representative with any questions.