



Announcement 18-03

Date: January 10, 2018

Topic: Ginnie Mae APM 17-06 Updates to Seasoning Requirements for Streamline and Cash-Out Refinances

To ensure the strength and liquidity of the MBS Program, Ginnie Mae is continuing to address activities that result in unduly rapid prepayments to investors in Ginnie Mae mortgage-backed securities.

Effective with loans delivered on or after March 2, 2018, PennyMac is aligning with Ginnie Mae's seasoning requirements for all streamline and cash-out refinance loans. In order to be eligible, loans must meet the following seasoning requirements:

- the borrower has made at least six consecutive monthly payments on the loan being refinanced, beginning with the payment made on the first payment due date; and
- the first payment due date of the new loan occurs no earlier than 210 days after the first payment due date of the loan paid off through the transaction.

Due to the various program requirements, this update will impact FHA cash-out and all VA refinances. FHA Streamline and USDA Streamline-Assist transactions must continue to meet FHA's or USDA's seasoning requirements as applicable.

Loans that do not meet this seasoning requirement must be delivered on or before March 1, 2018 and purchased by March 13, 2018. Loans must have a first payment due date of on or before April 1, 2018 and ARM loans must have an interest rate adjustment month of April.

Please contact your Sales Representative with any questions.