



# Announcement

## Announcement # 18-44

**Date:** October 3, 2018

**Topic:** Release of Non-Delegated FHA and Temp Buydowns

### Non-Delegated Delivery Program

Effective Monday October 15, 2018, Non-Delegated Eligibility Review will be available for FHA loans with Best Efforts locks. An executed Non-Delegated Loan Purchase Agreement is required for all sellers that wish to participate in the program. Commitments cannot be taken until that time. Please contact your Sales Representative to receive a copy of the agreement.

Underwriting requirements specific to Non-Delegated FHA loans will be included on the FHA 203(b) Product Profile and on the Non-Delegated Government Overlay Matrix.

Non-Delegated program information is available on [gopennymac.com](http://gopennymac.com) in the "Tools & Resources" → "Non-Delegated Resources" menu item. [Non-Delegated Fact Sheet](#) (click to view)

### Temporary Interest Rate Buydown LLPA

Effective Monday, October 22, 2018, a temporary buydown option will be available for Conventional, FHA, VA and USDA locks for all delivery types, subject to the following requirements:

- Minimum 680 FICO
- Owner occupied, purchase, fixed rate only
- Maximum rate reduction of 2% with maximum increase of 1% per year
- Borrower must be qualified at note rate without benefit of buydown

Disclosures of the loan terms on the Loan Estimate and Closing Disclosures for loans with the temporary buydown option, should reflect the loan terms in the note and security instrument.

Best Effort and AOT/DT rate sheets will be updated to include a temp buydown LLPA on the following tabs: 'Conv LLPAs' and 'Govt LLPAs'. Also starting October 22, in order for temporary buydowns in bulk tapes to be priced accurately at commitment, a buydown flag will need to be added to bulk bid tapes. If a temporary buydown loan does not have a buydown flag on the bulk bid tape, the appropriate LLPA add will be applied at funding.



## Announcement

A sample of the updated Best Effort and AOT-DT rate sheet(s) will be posted to the PennyMac Portal after 6:00 PM (PT) on **October 11, 2018** with updates highlighted in yellow. Sample rate sheet(s) will be available for download shortly after the standard rate sheet email notification is sent from 'PennyMac Correspondent Pricing' <donotreply@pnmac.com>.

Note: Sample rate sheet(s) posted to the portal after 6 PM (PT) are intended only to communicate the rate sheet changes as described above. Loan program base pricing will reflect as blank. Rate sheets posted the following morning will be effective for new commitments.

Please contact your Sales Representative with any questions.