



Announcement

Announcement # 18-52

Date: November 14, 2018

Topic: Conventional and Jumbo LLPAs

Effective Tuesday, November 27, 2018, PennyMac will be rolling out multiple updates to its Best Effort and AOT/DT rate sheets as noted below.

New Conventional Risk Based LLPA Adjustment Grids

Two new pricing grids will be introduced on the Conventional LLPA tab to make risk based price adjustments for all new Conventional locks. The LLPAs are in addition to any applicable LLPA caps. The two new grids apply to the following:

- New grid #1: Agency Fixed (Mortgage Terms >20 Year Terms)
- New grid #2: Agency Fixed (Mortgage Terms <=20 Year Terms) and Agency ARMs

Conventional LLPAs: 30 Year Fixed and 25 Year Fixed

The values for the '30 Year Fixed LLPA' will be incorporated into the new risk based pricing grid mentioned above, and therefore the '30 Year Fixed LLPA' will be removed from the rate sheet. The '25 Year Fixed LLPA' will remain on the rate sheet but will have updated values. In addition, footnote 3 will no longer apply to the 25 Year Fixed LLPA.

Jumbo LLPA Updates

The FICO/HCLTV LLPA grid will be updated with new values on the 'Nonconforming LLPAs' tab. Grid structure will remain the same.

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 **November 14, 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>.



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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.