



Announcement

Announcement # 19-42

Date: July 31, 2019

Topic: ChoiceRenovation, HomePossible Income Limits, and Real Estate Taxes

PennyMac is aligning to the updates in Freddie Mac bulletins 2019-14, 2019-15, and 2019-16. Updates include but are not limited to the following. Any exceptions are noted below.

ChoiceRenovation Mortgage

PennyMac will not be offering this program at this time. An announcement will be released in the future should this program become eligible for purchase.

Home Possible Borrower Income Limits

Currently, for all Home Possible Mortgages with the exception of those secured by mortgaged premises located in a low-income census tract, the borrower's qualifying income must not exceed 100% of the area median income (AMI).

Effective with new casefiles submitted to LPA on or after July 28, PennyMac is aligning with Freddie Mac's updates to Home Possible Income Eligibility Limits. Home Possible loans may not exceed 80% of the AMI for the location of the mortgaged premises. This change will apply to all Home Possible Mortgages, including those secured by properties in low-income census tracts.

Calculation of Real Estate Taxes

Previously, Freddie Mac did not provide guidance on how to determine real estate tax amounts that must be included in the housing expense.

Effective immediately, PennyMac is aligning with Freddie Mac's updated guidance indicating real estate taxes must be based on the value of the improvements plus the value of the land. In addition, Freddie Mac has updated guidelines to specify that if a change in ownership causes or results in a recalculation of property taxes, the new estimated amount must be included in the monthly housing expense. See Selling Guide section 5401.1 for complete details.



Announcement

Automated Collateral Evaluation with Resale Restrictions

As a reminder, appraisal waivers are ineligible if the property is subject to resale restrictions. This includes any income and age related restrictions. Transactions with resale restrictions may still be eligible with a full appraisal. Please see Selling Guide section 5601.9 for complete details.

Please contact your Sales Representative with any questions.