



# Announcement

## **Announcement # 20-52**

**Date:** August 28, 2020

**Topic:** Adverse Market Refinance Fee LLPA

The Federal Housing Finance Agency (FHFA) announced a delay to the implementation date of the Adverse Market Refinance Fee until December 1, 2020. The new Adverse Market Refinance Fee applies to Agency cash-out and limited cash-out refinance transactions. Exempt from the fee are HomeReady, Home Possible, Fannie Mae Single Close with Special Feature Code 151, and refinance transactions with loan balances less than \$125,000.

In order to align with FHFA's new implementation date, PennyMac will begin including the fee in its Best Effort pricing starting with 75 day lock commitments only, effective Monday, August 31, 2020. PennyMac will update the rate sheet to display the new Refinance LLPA.

- Pricing for lock commitments 60 days and less will not include the fee at this time. Additional announcements are planned as the implementation date approaches to communicate when pricing will include the fee for lock commitments 60 days and less.
- Lock extensions and relocks will be subject to the new Adverse Market Refinance Fee if the loan is delivered after November 9, 2020 and purchased after November 20, 2020, and the fee was not included previously. The 50 basis point fee may not be reflected in the price until after the lock extension or relock has been completed.

A sample of the updated rate sheet(s) will be posted to the PennyMac Portal after 6:00 PM (PT) today, August 28, 2020. Sample rate sheet(s) will be available for download shortly after the standard rate sheet email notification is sent from 'PennyMac Seller 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 be blank. Rate sheets posted the following morning will be effective for new commitments.

Please contact your Sales Representative with any questions.