

First Time Home Buyer and Duty to Serve Credit Fee Cap Support

Pennymac Correspondent Group

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Overview

The Pennymac pricing portal is able to accurately price and lock Best Efforts loans eligible for Freddie Mac and Fannie Mae's Credit Fee Caps that were implemented in late 2022 in order to promote equitable access to affordable housing.

Categories eligible for Credit Fee Caps based on Area Median Income and Duty to Serve Requirements

• First Time Home Buyer + AMI requirements

- At least one borrower is a First Time Home Buyer
- o AMI is <=100%, or <=120% in High Cost areas
- Primary Residence/Owner Occupied

Duty to Serve + Manufactured Home Property Type

- AMI is <=100%
- Primary Residence/Owner Occupied
- Purchase or No Cash Out Refinance
- Manufactured Home Property Type

Duty to Serve + High Needs Rural

- AMI is <=100%
- Primary Residence/Owner Occupied
- Purchase or No Cash Out Refinance
- Property is in an area identified as High Needs Rural

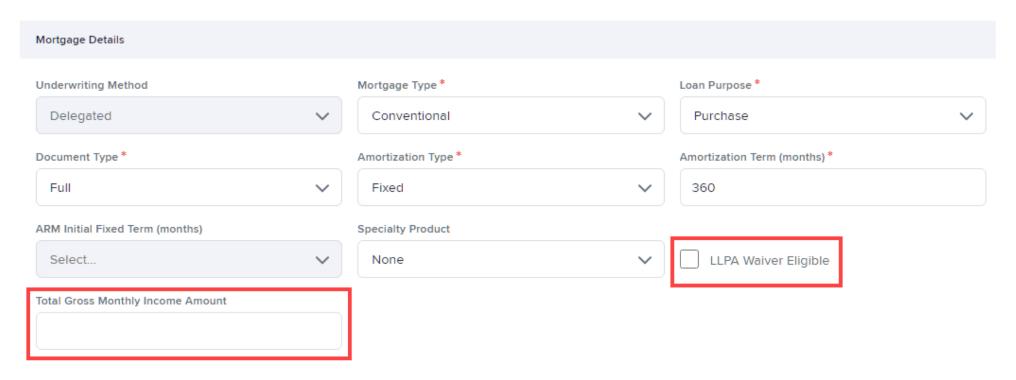
Credit Fee Cap Category	Occupancy Type	Loan Purpose Type	Property Type	AMI%
First Time Home Buyer Duty to Serve Manufactured Homes	Primary	Purchase	No property type	<=100%
			restrictions	<=120% High Cost Area
		Purchase	Manufactured	<=100%
	Residence	No Cash Out Refinance	Home	
Duty to Serve High Needs Rural		Purchase	Property must be	. 4000/
		No Cash Out Refinance	in a High Needs Rural Area.	<=100%



P3 Pricing Portal

New fields added to P3 Pricing Portal to support Credit Fee Caps

- LLPA Waiver Eligible Checkbox
- Total Gross Monthly Income Amount Field





GSE Eligibility Tools

Area Median Income and Duty to Serve High Needs Rural Areas eligibility should be confirmed using the GSE's lookup tools.

Freddie Mac: Area Median Income and Property Eligibility Tool

Example of search and key areas to review for Area Median Income or Duty to Serve eligibility.

County: Seminole County
FIPS Code: 40133583100
50% Area Median Income: \$32,350
80% Area Median Income: \$51,760
100% Area Median Income: \$64,700
120% Area Median Income: \$77,640
140% Area Median Income: \$90,580
High Needs Rural Tract: Yes
Rural tract: Yes
High Cost Area: No

Fannie Mae Area Median Lookup Tool

Example of search and key areas to review for Area Median Income or Duty to Serve eligibility.





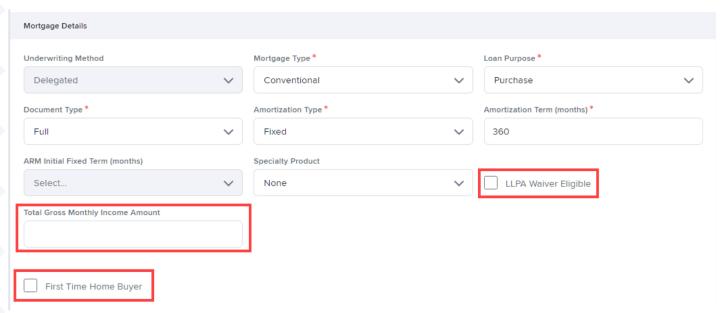
First Time Home Buyer + Area Median Income

If the First Time Home Buyer and LLPA Waiver Eligible fields are checked, the system will apply the appropriate Credit Fee Cap. By checking the LLPA Waiver Eligible box, you are stating that eligibility has been confirmed and the loan meets AMI requirements. If income is entered in the Total Gross Monthly Income Amount field, P3 will perform a check to confirm income is within AMI limits.

If the First Time Home Buyer field is checked and Total Gross Monthly Income is entered, but the LLPA Waiver Eligible checkbox is not checked, P3 will look up the AMI, and if eligible the Credit Fee Cap will be applied.

AMI will be checked prior to purchase. If the loan is not eligible, the Credit Fee Cap will be removed from the loan.

Credit Fee Cap Category	Occupancy Type	Loan Purpose Type	Property Type	АМІ%
First Time	Primary		No property type	<=100%
Home Buyer	Purchase		<=120% High	
Home Buyer			restrictions	Cost Area





Duty to Serve + Manufactured Home

If the LLPA Waiver Eligible field is checked and the Property Type is Manufactured Housing, P3 will apply the appropriate Credit Fee Cap. By checking the LLPA Waiver Eligible box, you are stating that eligibility has been confirmed and the loan meets AMI requirements. If income is entered in the Total Gross Monthly Income Amount field, P3 will perform a check to confirm income is within AMI limits.

If the Property Type is Manufactured Housing and Total Gross Monthly Income is entered, but the LLPA Waiver Eligible checkbox is not checked, P3 will still look up the AMI, and if eligible the Credit Fee Cap will be applied.

AMI will be checked prior to purchase. If the loan is not eligible, the Credit Fee Cap will be removed from the loan.

Category	Туре	Loan Purpose Type	Property Type	AMI%			
Duty to Serve	Primary	Purchase	Manufactured	~ 100%			
Manufactured Homes	Residence	No Cash Out Refinance	Home <=100%				
Property Type *		00	ccupancy Type *			Number of Units *	
Manufactured	Housing		Primary Residence		~	1	+ -
Mortgage Details							
Underwriting Metho	od	Mo	ortgage Type *			Loan Purpose *	
Delegated		~	Conventional		~	Purchase	~
Document Type *		An	nortization Type *			Amortization Term (months) *	
Full		~][Fixed		~	360	
ARM Initial Fixed Te	erm (months)	Sp	ecialty Product				
Select		~	None		~	LLPA Waiver Eligible	
Total Gross Monthly	y Income Amoun	t					



Credit Fee Can Occupancy

Duty to Serve + High Needs Rural Area

If the LLPA Waiver Eligible field is checked, P3 will apply the appropriate Credit Fee Cap. By checking the LLPA Waiver Eligible field, you are stating that eligibility has been confirmed, the loan meets AMI requirements and the property is in a High Needs Rural Area. If income is entered in the Total Gross Monthly Income Amount field, P3 will perform a check to confirm income is within AMI limits.

P3 will not check if the property is in a High Needs Rural Area at the time of Lock. Property eligibility and AMI will be checked prior to purchase. If the loan is not eligible, the Credit Fee Cap will be removed from the loan.

•	Credit Fee Cap Category	Occupancy Type	Loan Purpose Type	Property Type	AMI%
	Duty to Serve	Primary	Purchase	Property must be	<=100%
	High Needs Rural	Residence	No Cash Out	in High Needs Rural Area	
L	Harai		Refinance	Marararea	

Mortgage Details				
Underwriting Method		Mortgage Type *		Loan Purpose *
Delegated	~	Conventional	~	Purchase 🗸
Document Type *		Amortization Type *		Amortization Term (months) *
Full	~	Fixed	~	360
ARM Initial Fixed Term (months)		Specialty Product		
Select	~	None	~	LLPA Waiver Eligible
Total Gross Monthly Income Amount		1		



BUILDING THE FUTURE OF HOMEOWNERSHIP BY MAKING IT POSSIBLE FOR MORE AMERICANS TO ACHIEVE AND SUSTAIN THEIR ASPIRATION OF HOME OWNERSHIP.