



Announcement

Announcement # 20-56

Date: 09/09/2020

Topic: Extension of COVID-19 Flexibilities and Tax Transcripts

Extension of COVID-19 Flexibilities

Effective Immediately, PennyMac is aligning with Fannie Mae and Freddie Mac's extension of COVID-19 related flexibilities for conventional transactions including buying loans in forbearance and several origination flexibilities. Any PennyMac overlays currently in effect will remain. These flexibilities have been extended and are effective for transactions with application dates until September 30, 2020.

As a reminder, paystubs and bank statements are not an eligible alternatives to verbal verifications of employment for any loan delivered to PennyMac. Transactions using the expanded POA flexibilities announced by Fannie Mae and Freddie Mac including the temporary expansion of who is an eligible power of attorney (POA) are also ineligible for delivery. PennyMac will continue to accept POAs in accordance with standard Fannie Mae and Freddie Mac guidelines.

Remote Online Notarization (RON) and Remote Ink Notarization (RIN) continue to remain ineligible at this time. Additional information will be released if these options become acceptable.

PennyMac encourages Correspondents to review the updated Fannie Mae Lender Letters 2020-03/04/06 and Freddie Mac Bulletin 2020-35 for complete details.

Tax Transcripts

In announcement #20-15 PennyMac communicated to Correspondents that we are temporarily suspending the requirement for tax transcripts.

PennyMac is notifying Correspondents that this policy will remain in place for the foreseeable future. An additional announcement will be released once the tax transcript policy has been reinstated.

As a reminder, USDA transactions require tax transcripts to ensure all income is considered for purposes of annual income calculation. However, PennyMac is aware that transcripts are



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taking a considerable amount of time to be obtained. PennyMac reminds lenders that USDA guidelines HB-1-3555 9.3 (E) 4 allows for loans to be closed without tax transcripts when the loan file contains evidence that transcripts were unable to be obtained. A response from the vendor may be acceptable to meet these requirements.

Please note that PennyMac will continue to require a signed 4506-T according to current guidelines.

Please contact your Sales Representative with any questions.