



# Announcement

## **Announcement # 21-04**

**Date:** 01/22/21

### **Topic: Non-Delegated Updates to Self-Employed Borrower LTVs**

Effective for all Non-Delegated conventional loans qualifying with self-employed borrower income submitted for eligibility review on or after January 25, 2021, PennyMac is updating the LTVs as follows:

- maximum of 95% LTV/CLTV on purchase transactions
- maximum of 80% LTV/CLTV on rate and term refinances
- cash-out transactions are prohibited

These updates apply to all self-employed borrowers, including borrowers who manage investment properties through an S-Corp, Partnership or C-Corp.

Existing loans in the pipeline will not be impacted by this change nor will borrowers qualifying with the full obligation on rental properties they own.

Please contact your Sales Representative with any questions.