



Announcement

Announcement # 21-22

Date: March 24, 2021

Topic: Reinstatement and Reminder Regarding Tax Transcripts

PennyMac is reinstating the requirement for tax transcripts effective with loan applications on or after **June 17, 2021**. When required, **2020** tax transcripts must be provided, unless the file contains evidence an extension was filed along with a copy of the IRS notice for 2020 showing "no record of return filed".

For all loans with application dates on or after October 1, 2021, **2020** tax returns and tax transcripts will be required.

As a reminder, PennyMac's Fannie Mae, Freddie Mac, FHA, and VA Tax Transcript Policy is not changing and is outlined below:

- Tax transcripts for the most recent one year are required for all self-employed borrowers whose income is used to qualify. If only non-self-employed income is used to qualify, transcripts are not required.

Non-Delegated only: Tax transcripts for the most recent one year are required for all borrowers whose income is used to qualify. If only W2/1099 income is used to qualify, W2/1099 transcripts are acceptable.

- When tax transcripts are provided, they must support the income used to qualify.
- A properly executed 4506-C is required for all transactions except when the loan file contains tax transcripts or when all of a borrower's income is validated by the DU validation service (Fannie Mae only).
- If tax transcripts are not available (due to a recent filing for the current year) a copy of the IRS notice showing "No record of return filed" is required along with documented acknowledgement receipt (such as IRS officially stamped tax returns or evidence that the return was electronically received) from the IRS and tax transcripts from the previous year.

Note: Loans not requiring income such as non-credit qualifying FHA Streamlines and VA IRRRLs do not require tax transcripts. For Jumbo or Rural Housing loans, refer to the Jumbo Underwriting Guidelines and Eligibility Requirements or the Rural Housing Product Profile for tax transcript requirements.

Please contact your Sales Representative with any questions.