

**Announcement # 23-64****Date:** September 26, 2023

## **Funding for USDA Rural Housing 2024 Fiscal Year**

Per the Fiscal Year 2024 Commitment Notice released September 7, 2023, funding for the USDA Rural Housing Loan Program will be temporarily unavailable beginning October 1, 2023.

Fiscal year 2024 begins October 1, 2023 and ends at the close of business September 30, 2024. The guaranteed loan program is not available for a brief period of time at the beginning of each fiscal year, and during the temporary lapse in funding, Rural Housing Development will issue Conditional Commitments "subject to the availability of commitment authority" for purchase and refinance transactions.

PennyMac will continue to purchase USDA Rural Housing loans with Conditional Commitments subject to the availability of commitment authority. Correspondents must ensure all standard Reps and Warrants, and underwriting requirements are met. The Loan Note Guaranty will be required as a post-purchase stipulation.

As a reminder, all loans obligated by USDA Rural Housing on or after October 1, 2023, will continue to require an upfront guarantee fee of 1 percent accompanied by an annual fee of 0.35 percent, applicable to all Rural Housing transactions.

**Note:** In case of a government shutdown, PennyMac will continue to purchase loans but only if a conditional commitment has been issued. The Loan Note Guaranty will also be required as a post-purchase stipulation.

Please contact your Sales Representative with any questions.