

**Announcement # 23-78**

**Date:** November 15, 2023

## Fannie Mae - Increased LTV limits for 2 - 4 Unit Properties

Pennymac is aligning with Fannie Mae’s expanded LTV ratio limits to 95% LTV/CLTV/HCLTV for 2-4-unit, principal residence, purchase and limited cash-out transactions. A DU Approve/Eligible is required. The LTV ratio increase does not apply to the following:

- High-balance mortgage loans
- Manually underwritten loans

Please check with your mortgage insurance providers to ensure they are supportive of these changes.

The LTV ratios highlighted in red represent the updated ratios.

Primary residence, purchase and limited cash-out transactions		
Transaction Type	Number of Units	Maximum LTV, CLTV, HCLTV
Purchase Limited Cash-out Refinance	1 Unit	FRM: 97% ARM: 95%
	2 Units	FRM/ARM: <b>95%</b> (from 85%)
	3 – 4 Units	FRM/ARM: <b>95%</b> (from 75%)
HomeReady		
Purchase Limited Cash-out Refinance	1 Unit	FRM: 97% ARM: 95%
	2 Units	FRM/ARM: <b>95%</b> (from 85%)
Purchase Limited Cash-out Refinance	3 – 4 Units	FRM/ARM: <b>95%</b> (from 75%)
	HomeStyle Renovation	
Purchase Limited Cash-out Refinance	1 Unit	FRM: 97% ARM: 95%
	2 Units	FRM/ARM: <b>95%</b> (from 85%)
	3 – 4 Units	FRM/ARM: <b>95%</b> (from 75%)

The changes apply to DU loan casefiles **submitted or resubmitted** on or after the weekend of 11/18/2023.

Please contact your Sales Representative with any questions.