

**Announcement #24-35****Date:** April 16, 2024**VA – Departing Residence Update**

Pennymac is reminding clients of VA's requirement regarding the use of rental income on a departing residence, and clarifying the following:

When a fully executed lease is not available, the use of proposed rental income requires originators to have a strong working knowledge of the local rental market to determine rental market conditions. If the rental market is strong, the use of proposed rents to offset the PITIA on a departing residence may be considered.

- In order to meet VA's requirement, Form 1007 completed by an appraiser who has expertise in the local rental market is required.
- Additionally, the rationale of the use of proposed rents must be documented on Form 26-6393.

Pennymac has updated the applicable VA product profiles with this guidance. The requirement of Form 1007 is effective with loan deliveries on or after May 24, 2024.

Please contact your Sales Representative with any questions.