

Announcement # 25-124

Date: December 01, 2025

Non-QM Program Updates and Clarifications

Pennymac is updating guidance and has clarified existing guidance for our Non-QM program, effective with new applications dated on or after December 01, 2025. These updates and clarifications apply to all Non-QM products and include, but are not limited to, the following:

Number of Financed Properties

- **Update:** No borrower or guarantor may have more than 20 financed properties (previously limited to 10 properties).
- **New:** No borrower or guarantor may have more than 10 properties or \$7.5M UPB serviced by Pennymac.

Housing Payment History Validation

- **Clarified:** Housing payment history for all REOs and rental payments evidencing payment activity must be validated for the most recent 24 months, regardless of whether the borrower/investor is on the note or vested on title.
- **New:** The credit report may now be used to validate housing payment history.

Condo Project Review

- **New:** Limited condo project reviews are now an eligible condo project review type.
- **New:** Condo Project Manager (CPM) Fannie Mae approved projects are now eligible
- **New:** For all condo project review types, a new HOA questionnaire and Condominium Project Certification is required for each loan.
- **New:** Condo project review waivers are now eligible for certain project types.
- Refer to the product profiles for complete project eligibility and project review requirements.

Escrow Waivers

- **Update:** Credit score, LTV, and reserve requirements no longer apply for escrow waiver eligibility.
 - Escrow waivers are subject to an LLPA adjustment. Refer to the rate sheet for program-specific requirements.
- For the A-, A, and A+ Programs: HPML loans require an escrow account for property taxes, hazard insurance, and flood insurance.

Single Appraisal Transactions

- **New:** A Freddie Mac Loan Collateral Advisor® (LCA) score greater than or equal to 2.5 is now eligible to be used as a satisfactory valuation assessment.
 - If a Collateral Underwriter (CU) or LCA score is used as the secondary valuation, the Submission Summary Report (SSR) must be included in the file.
 - If both CU and LCA are run, they must be done at the same time, only one needs to have a passing score.

Refer to the product profiles for complete program requirements. Please contact your Sales Representative with any questions.