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# **MSR Collateralized Term Note Transaction Summary**

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# Transaction Summary

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On February 13, 2017, PennyMac Financial Services, Inc. (“PFSI”) priced \$400 million aggregate principal amount of MSR Collateralized Notes (“Term Notes”) due February 25, 2020, through PNMAC GMSR ISSUER TRUST

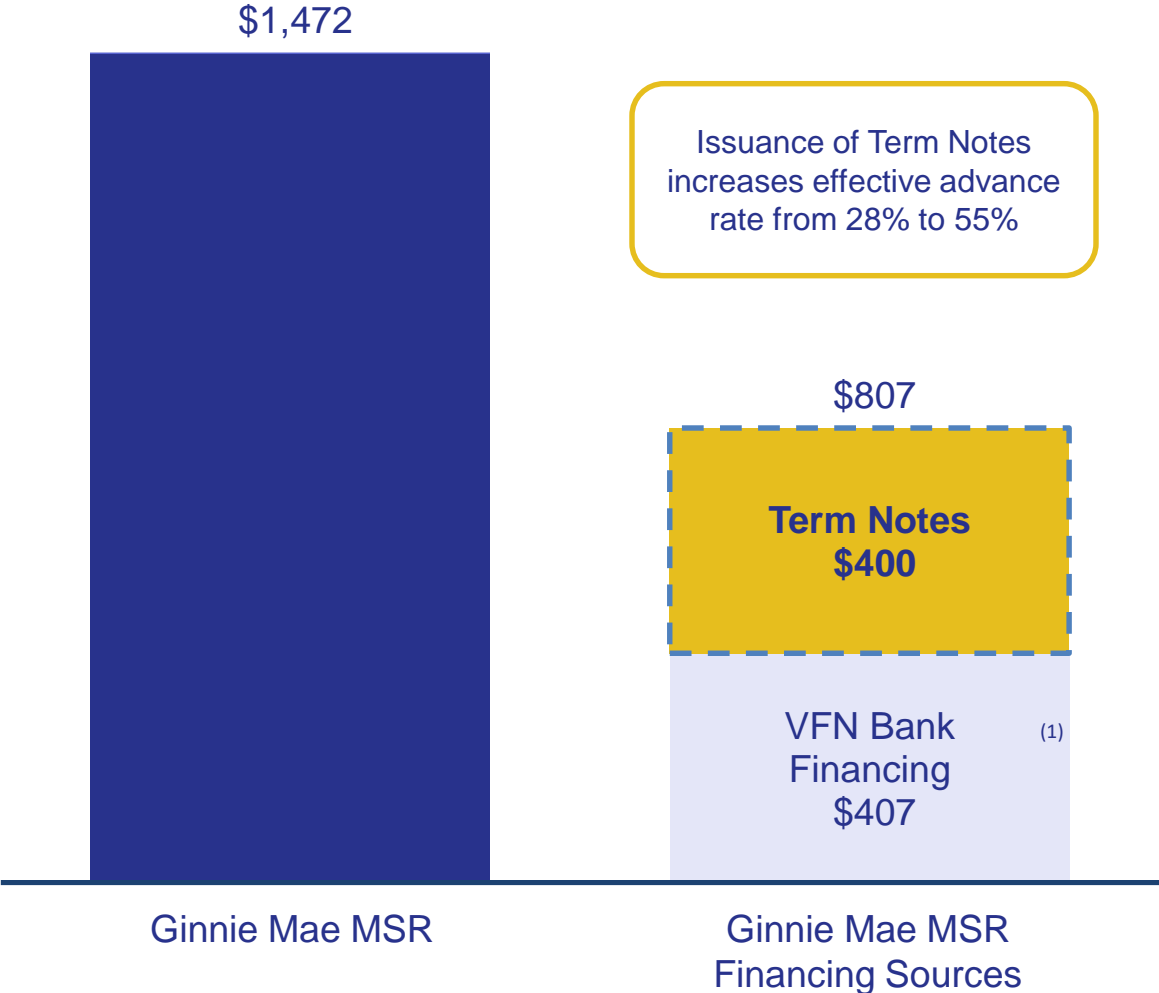
- Pioneering structure significantly increases the amount of Ginnie Mae MSR financing available to PFSI
  - Term Notes were purchased by a diverse group of ABS investors, increasing the number of financing sources
  - Demonstrates robust investor appetite for financing Ginnie Mae MSRs that are serviced by a counterparty with strong financial and operational performance
- Term Notes complement the Variable Funding Note (“VFN”) issued and financed under a repo agreement last December<sup>(1)</sup>
  - Term Notes provide three to four year financing at a price comparable to existing bank financing
  - Structure features a VFN “accordion” and the ability to issue additional Term Notes that will permit PFSI to access additional financing as the Ginnie Mae MSR portfolio grows
- Proceeds will be used for general corporate purposes, including loan production activities and potential MSR acquisitions, which facilitate consumer direct production and EBO-related opportunities

<sup>(1)</sup> Further described in PFSI’s current report on form 8-K filed on December 21, 2016.

# Summary of Ginnie Mae MSR Financing

## Pro Forma Ginnie Mae MSR Financing Sources (12/31/16 Balances)

(\$ in millions)



<sup>(1)</sup> \$150 million of the \$407 million provided on a back-to-back basis to PMT to finance Ginnie Mae ESS.