



FOR IMMEDIATE RELEASE

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**PennyMac Financial Services, Inc. Announces
Pricing of Term Notes Secured by Ginnie Mae MSR and ESS**

Westlake Village, CA, February 15, 2017 – PennyMac Financial Services, Inc. (NYSE: PFSI) (the “Company”) today announced the pricing of a private offering of secured term notes in an aggregate principal amount of \$400 million to be issued by the Company’s indirect controlled subsidiary, PNMACHOMEOWNERS TRUST (the “Trust”). The secured term notes will be offered only to qualified institutional buyers, as defined in the Securities Act of 1933, as amended (the “Securities Act”), pursuant to Rule 144A under the Securities Act. The offering is expected to close on February 16, 2017, subject to customary closing conditions.

“This pioneering transaction represents an important event in the evolution of PennyMac Financial’s capital structure and marks a watershed development for the mortgage banking industry. Mortgage servicing rights are our single largest long-term asset and available financing has historically been limited. This transaction demonstrates that there is robust investor appetite for financing MSR that are serviced by a counterparty with strong financial and operational performance. We intend to use the proceeds to support PennyMac Financial’s continued growth, including loan production activities and potential MSR acquisitions,” said Executive Chairman Stanford L. Kurland.

“Securing financing from a broad group of capital markets investors provides us with important diversification and term extension relative to our existing financing. Notably, this structure also permits us to access additional financing as our MSR portfolio grows. We are pleased to have worked in close collaboration with our key business partners to develop this structure and believe that it demonstrates PennyMac Financial’s continued industry leadership,” said President and Chief Executive Officer David A. Spector.

The secured term notes will mature on February 25, 2020 and are collateralized by Ginnie Mae mortgage servicing rights (MSRs) and excess servicing spread (ESS) evidenced by participation certificates, which

are sold to the Trust by one of the Company's subsidiaries, PennyMac Loan Services, LLC ("PLS"), under a master repurchase agreement. The secured term notes will be issued by the Trust pursuant to the terms of a base indenture, which is further described in the Company's Current Report on Form 8-K filed December 21, 2016, and the terms of a supplemental indenture to be executed in connection with the proposed offering. PLS' obligations to the Trust under the master repurchase agreement will be guaranteed by the Company's direct controlled subsidiary, Private National Mortgage Acceptance Company, LLC.

For more information, please refer to the investor presentation available at www.ir.pennymacfinancial.com.

The secured term notes have not been and are not expected to be registered under the Securities Act or any state securities laws and, unless so registered, may not be offered or sold in the United States or to U.S. persons absent an applicable exemption from the registration requirements of the Securities Act and applicable state securities laws.

This press release does not constitute an offer to sell or the solicitation of an offer to buy any security and shall not constitute an offer, solicitation or sale of any security in any jurisdiction in which such offering, solicitation or sale would be unlawful.

PennyMac Financial Services, Inc. is a specialty financial services firm with a comprehensive mortgage platform and integrated business focused on the production and servicing of U.S. mortgage loans and the management of investments related to the U.S. mortgage market. PennyMac Financial Services, Inc. trades on the New York Stock Exchange under the symbol "PFSI." Additional information about PennyMac Financial Services, Inc. is available at www.ir.pennymacfinancial.com

Forward Looking Statements

This press release contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, regarding management's beliefs, estimates, projections and assumptions with respect to, among other things, the Company's financial results, future operations, business plans and investment strategies, as well as industry and market conditions, all of which are subject to change. Words like "believe," "expect," "anticipate," "promise," "plan," and other expressions or words of similar meanings, as well as future or conditional verbs such as "will," "would," "should," "could," or "may" are generally intended to identify forward-looking statements. Actual results and operations for any future period may vary materially from those projected herein and from past results discussed herein. Factors which could cause actual results to differ materially from historical results or those anticipated include, but are not limited to: the continually changing federal, state and local laws and regulations applicable to the highly regulated industry in which we operate; lawsuits or governmental actions that may result from any noncompliance with the laws and regulations applicable to our businesses; the mortgage lending and servicing-related regulations promulgated by the Consumer Financial Protection Bureau and its enforcement of these regulations; our dependence on U.S. government-sponsored entities and changes in their current roles or their guarantees or guidelines; changes to government mortgage modification programs; the licensing and operational requirements of states and other jurisdictions applicable to the Company's businesses, to which our bank competitors are not subject; foreclosure delays and changes in foreclosure practices; certain banking regulations that may limit our business activities; our dependence on the multifamily and commercial real estate sectors for future originations of commercial mortgage loans and other commercial real estate related loans; changes in macroeconomic and U.S. real estate market conditions; difficulties inherent in growing loan production volume; difficulties inherent in adjusting the size of our operations to reflect changes in business levels; purchase opportunities for mortgage servicing

rights and our success in winning bids; changes in prevailing interest rates; increases in loan delinquencies and defaults; our reliance on PennyMac Mortgage Investment Trust (NYSE: PMT) as a significant source of financing for, and revenue related to, our mortgage banking business; any required additional capital and liquidity to support business growth that may not be available on acceptable terms, if at all; our obligation to indemnify third-party purchasers or repurchase loans if loans that we originate, acquire, service or assist in the fulfillment of, fail to meet certain criteria or characteristics or under other circumstances; our obligation to indemnify PMT and the Investment Funds if its services fail to meet certain criteria or characteristics or under other circumstances; decreases in the returns on the assets that we select and manage for our clients, and our resulting management and incentive fees; the extensive amount of regulation applicable to our investment management segment; conflicts of interest in allocating our services and investment opportunities among us and our advised entities; the effect of public opinion on our reputation; our recent growth; our ability to effectively identify, manage, monitor and mitigate financial risks; our initiation of new business activities or expansion of existing business activities; our ability to detect misconduct and fraud; and our ability to mitigate cybersecurity risks and cyber incidents. You should not place undue reliance on any forward-looking statement and should consider all of the uncertainties and risks described above, as well as those more fully discussed in reports and other documents filed by the Company with the Securities and Exchange Commission from time to time. The Company undertakes no obligation to publicly update or revise any forward-looking statements or any other information contained herein, and the statements made in this press release are current as of the date of this release only.

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