
Section 1: 8-K (8-K)

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 15, 2017

PennyMac Financial Services, Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-35916
(Commission
File Number)

80-0882793
(IRS Employer
Identification No.)

3043 Townsgate Road, Westlake Village, California
(Address of principal executive offices)

91361
(Zip Code)

(818) 224-7442
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 7.01 Regulation FD Disclosure.

On February 15, 2017, the Company issued a press release announcing the pricing of its private offering of secured term notes in an aggregate principal amount of \$400 million to be issued by the Company's indirect controlled subsidiary, PNMAC GMSR ISSUER 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. 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.

A copy of the press release announcing the pricing of the offering is furnished hereto as Exhibit 99.1. A copy of a slide presentation summarizing the transaction also will be posted on the Company's website and is furnished hereto as Exhibit 99.2.

The information in Item 7.01 of this report, including the exhibits hereto, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liabilities of Section 18, nor shall it be deemed incorporated by reference into any disclosure document relating to the Company, except to the extent, if any, expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release, dated February 15, 2017, issued by PennyMac Financial Services, Inc.
99.2	Slide presentation for use beginning on February 15, 2017

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PENNYMAC FINANCIAL SERVICES, INC.

Dated: February 15, 2017

/s/ Andrew S. Chang

Andrew S. Chang
Senior Managing Director and Chief Financial Officer

EXHIBIT INDEX

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99.1	Press release, dated February 15, 2017, issued by PennyMac Financial Services, Inc.
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Section 2: EX-99.1 (EX-99.1)



FOR IMMEDIATE RELEASE

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(805) 530-5817

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(818) 264-4907

**PennyMac Financial Services, Inc. Announces
Pricing of Term Notes Secured by Ginnie Mae MSR^s 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, PNMAC GMSR ISSUER 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^s 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 (MSR^s) 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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Section 3: EX-99.2 (EX-99.2)

Exhibit 99.2



MSR Collateralized Term Note Transaction Summary

Transaction Summary

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⁽¹⁾
 - 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

⁽¹⁾ 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)



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