
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): August 10, 2018

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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01 Entry into a Material Definitive Agreement.

Series 2018-GT2 Notes

On August 10, 2018, PennyMac Financial Services, Inc. (the “Company”), through its indirect subsidiary, PNMAC GMSR ISSUER TRUST (“Issuer Trust”), issued an aggregate principal amount of \$650 million in secured term notes (the “2018-GT2 Notes”) to qualified institutional buyers under Rule 144A of the Securities Act of 1933, as amended (the “Securities Act”). The 2018-GT2 Notes are secured by certain participation certificates relating to Ginnie Mae mortgage servicing rights (“MSRs”) and excess servicing spread relating to such MSRs that are financed by one of the Company’s indirect controlled subsidiaries, PennyMac Loan Services, LLC (“PLS”) pursuant to a structured finance transaction, which is further described in the Company’s Current Report on Form 8-K filed on December 21, 2016 (the “GNMA MSR Facility”).

The 2018-GT2 Notes bear interest at a rate equal to one-month LIBOR plus 2.65% per annum, payable each month beginning in August 2018, on the 25th day of such month or, if such 25th day is not a business day, the next business day. The 2018-GT2 Notes will mature on August 25, 2023 or, if extended pursuant to the terms of the Term Notes Indenture Supplement (as defined below), August 25, 2025 (unless earlier redeemed in accordance with their terms). The 2018-GT2 Notes have been assigned an investment grade rating of BBB- by Kroll Bond Rating Agency, and will rank pari passu with (i) the secured term notes due February 25, 2023 issued by Issuer Trust on February 28, 2018 (the “2018-GT1 Notes”); and (ii) the Series 2016-MSRVF1 Notes dated December 19, 2016 (the “VFN”) issued by Issuer Trust to PLS. The 2018-GT1 Notes are further described in the Company’s Current Report on Form 8-K filed on March 6, 2018. The VFN is further described in the Company’s Current Reports on Form 8-K filed on March 6, 2018 and December 21, 2016.

The 2018-GT2 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 within 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.

On August 10, 2018, the Company also redeemed all of the secured term notes due August 25, 2022 issued by Issuer Trust on August 10, 2017 (the “2017-GT2 Notes”). The redemption amount for the 2017-GT2 Notes was \$500 million plus all accrued and unpaid interest. The 2017-GT2 Notes are further described in the Company’s Current Report on Form 8-K filed on August 16, 2017.

Second Amended and Restated Base Indenture

The Term Notes were issued pursuant to the terms of (i) an amendment (the “Amendment”) to the second amended and restated base indenture, dated as of August 10, 2017 (the “Amended Base Indenture”), by and among Issuer Trust, Citibank, N.A., as indenture trustee, calculation agent, paying agent and securities intermediary (the “Indenture Trustee”), PLS, as the servicer and administrator, Credit Suisse First Boston Mortgage Capital LLC (“CSFB”), as administrative agent, and Pentalpha Surveillance LLC, as credit manager; and (ii) a Series 2018-GT2 indenture supplement, dated as of August 10, 2018, to the Amended Base Indenture (the “Term Notes Indenture Supplement”). Other material terms of the Amended Base Indenture are described more fully in the Company’s Current Report on Form 8-K filed on August 16, 2017.

The foregoing descriptions of the Amendment and the Term Notes Indenture Supplement do not purport to be complete and are qualified in their entirety by reference to the full text of such agreements, which have been filed with this Current Report on Form 8-K as Exhibit 10.1 and Exhibit 10.2, respectively.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information set forth under Item 1.01 of this Current Report on Form 8-K is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
10.1	<u>Amendment No. 2 to Second Amended and Restated Base Indenture, dated as of August 10, 2018, by and among PNMAC GMSR ISSUER TRUST, Citibank, N.A., PennyMac Loan Services, LLC, Credit Suisse First Boston Mortgage Capital LLC, and Pentalpha Surveillance LLC.</u>
10.2	<u>Series 2018-GT2 Indenture Supplement to Indenture, dated as of August 10, 2018, by and among PNMAC GMSR ISSUER TRUST, Citibank, N.A., PennyMac Loan Services, LLC, and Credit Suisse First Boston Mortgage Capital LLC.</u>

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: August 15, 2018

/s/ Andrew S. Chang
Andrew S. Chang
Senior Managing Director and Chief Financial Officer

[\(Back To Top\)](#)

Section 2: EX-10.1 (EX-10.1)

Exhibit 10.1
EXECUTION COPY

PNMAC GMSR ISSUER TRUST,
as Issuer

and

CITIBANK, N.A.,
as Indenture Trustee, Calculation Agent, Paying Agent and Securities Intermediary

and

PENNYMAC LOAN SERVICES, LLC,
as Servicer and Administrator

and

CREDIT SUISSE FIRST BOSTON MORTGAGE CAPITAL LLC,
as Administrative Agent

and

PENTALPHA SURVEILLANCE LLC,
as Credit Manager

AMENDMENT NO. 2
Dated as of August 10, 2018

to the

Second Amended and Restated Base Indenture
Dated as of August 10, 2017

This Amendment No. 2 (this "Amendment") to the Base Indenture (as defined below) is entered into as of August 10, 2018, by and among PNM MAC GMSR ISSUER TRUST, a statutory trust organized under the laws of the State of Delaware (the "Issuer"), CITIBANK, N.A. ("Citibank"), a national banking association, in its capacity as Indenture Trustee (the "Indenture Trustee"), and as Calculation Agent, Paying Agent and Securities Intermediary (in each case, as defined herein), PENNYMAC LOAN SERVICES, LLC, a limited liability company organized under the laws of the State of Delaware ("PLS"), as administrator (in such capacity, the "Administrator") and as servicer (in such capacity, the "Servicer"), and CREDIT SUISSE FIRST BOSTON MORTGAGE CAPITAL LLC ("CSFB"), a Delaware limited liability company, as an administrative agent (the "Administrative Agent"), and is acknowledged by PENTALPHA SURVEILLANCE LLC, a Delaware limited liability company ("Pentalpha") as credit manager. Capitalized terms used but not otherwise defined herein shall have the meanings assigned to them in the Existing Base Indenture (as defined below).

W I T N E S S E T H:

WHEREAS, the Issuer, Citibank, as Indenture Trustee, as calculation agent (in such capacity, the "Calculation Agent"), as paying agent (in such capacity, the "Paying Agent") and as securities intermediary (in such capacity, the "Securities Intermediary"), the Administrator, the Servicer, the Administrative Agent and the Credit Manager are parties to that certain Second Amended and Restated Base Indenture, dated as of August 10, 2017 (as amended by that certain Amendment No. 1 dated as of February 28, 2018, and as may be further restated, supplemented, or otherwise modified from time to time, the "Existing Base Indenture");

WHEREAS, the Issuer, the Indenture Trustee, the Administrator, the Servicer and the Administrative Agent have agreed, subject to the terms and conditions of this Amendment, that the Existing Base Indenture be amended to reflect certain agreed upon revisions to the terms of the Existing Base Indenture;

WHEREAS, pursuant to Section 12.1(b) of the Existing Base Indenture, the Issuer, the Indenture Trustee, the Administrator, the Servicer and the Administrative Agent (in its sole and absolute discretion) may amend the Existing Base Indenture for the purpose of adding any provisions to, or changing in any manner or eliminating any of the provisions of the Existing Base Indenture, without the consent of any of the Noteholders or any other Person, upon (i) delivery of an Issuer Tax Opinion, (ii) delivery to the Indenture Trustee of an Officer's Certificate to the effect that the Issuer reasonably believes that such amendment could not have a material Adverse Effect on any Outstanding Notes and is not reasonably expected to have a material Adverse Effect at any time in the future, and (iii) each Note Rating Agency currently rating the Outstanding Notes confirms in writing to the Indenture Trustee that such amendment will not cause a Ratings Effect on any Outstanding Notes;

WHEREAS, pursuant to Section 12.3 of the Existing Base Indenture, the Issuer shall also deliver to the Indenture Trustee an Opinion of Counsel stating that the execution of such amendment to the Existing Base Indenture is authorized and permitted by the Existing Base Indenture and that all conditions precedent thereto have been satisfied (the "Authorization Opinion"), and pursuant to Section 1.3 of the Existing Base Indenture, the Issuer will furnish to

the Indenture Trustee (1) an Officer's Certificate stating that all conditions precedent, if any, provided for in this Base Indenture relating to the proposed action have been complied with and (2) except as provided below, an Opinion of Counsel stating that in the opinion of such counsel all such conditions precedent, if any, have been complied with; and

WHEREAS, pursuant to Section 11.1 of the Trust Agreement, prior to the execution of any amendment to any Transaction Documents to which the Trust is a party, the Owner Trustee shall be entitled to receive and rely upon an Opinion of Counsel stating that the execution of such amendment is authorized or permitted by the Trust Agreement and that all conditions precedent have been met.

NOW THEREFORE, in consideration of the premises and mutual agreements herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Issuer, the Indenture Trustee, the Administrator, the Servicer and the Administrative Agent hereby agree as follows:

SECTION 1. Amendments to the Existing Base Indenture.

(a) Section 1.1 of the Existing Base Indenture is hereby amended by deleting the definitions of "Cumulative Default Supplemental Fee Shortfall Amount," and "Cumulative Step-Up Fee Shortfall Amount" in their entirety and replacing them with the following:

Cumulative Default Supplemental Fee Shortfall Amount: For each Payment Date and each Class of Notes, any portion of the Default Supplemental Fee (including the Cumulative Default Supplemental Fee Shortfall Amount for that Class for a previous Payment Date as set forth in the definition of "Default Supplemental Fee") that has not been paid, if any, plus accrued and unpaid interest at the applicable Note Interest Rate plus the Default Supplemental Fee Rate on such shortfall from the Payment Date on which the shortfall first occurred through but excluding the current Payment Date.

Cumulative Step-Up Fee Shortfall Amount: For each Payment Date and each Class of Notes, any portion of the Step-Up Fee (including the Cumulative Step-Up Fee Shortfall Amount for that Class for a previous Payment Date as set forth in the definition of "Step-Up Fee") that has not been paid, if any, plus accrued and unpaid interest at the applicable Note Interest Rate and plus the Step-Up Fee Rate on such shortfall from the Payment Date on which the shortfall first occurred through but excluding the current Payment Date.

(b) Section 1.1 of the Existing Base Indenture is hereby amended by adding the definition of "Fiduciary" in its proper alphabetical order as follows:

Fiduciary: As defined in Section 6.5(k).

(c) Section 6.5(k) of the Existing Base Indenture is hereby amended and restated in its entirety as follows:

(k) ERISA Restrictions. Neither the Note Registrar nor the Indenture Trustee shall register the Transfer of any Definitive Notes unless the prospective transferee has delivered to the Indenture Trustee and the Note Registrar a certification to the effect that either (i) it is not, and is not acquiring, holding or transferring the Notes, or any interest therein, or on behalf of, or using assets of, an “employee benefit plan” as defined in Section 3(3) of ERISA, a plan described in section 4975(e)(1) of the Code, an entity which is deemed to hold the assets of any such employee benefit plan or plan pursuant to 29 C.F.R. Section 2510.3-101 as modified by Section 3(42) of ERISA (the “Plan Asset Regulations”), which employee benefit plan, plan or entity is subject to Title I of ERISA or section 4975 of the Code, or a governmental, non-U.S. or church plan which is subject to any U.S. federal, state, local or other law that is substantially similar to Title I of ERISA or section 4975 of the Code (“Similar Law”) (collectively, an “Employee Benefit Plan”), or (ii) (A) as of the date of transfer or purchase, it believes that such Notes are properly treated as indebtedness without substantial equity features for purposes of the Plan Asset Regulations and agrees to so treat such Notes and (B) the transferee’s acquisition, holding or disposition of the Notes or any interest therein will satisfy the requirements of Prohibited Transaction Class Exemption (“PTCE”) 84-14 (relating to transactions effected by a qualified professional asset manager), PTCE 90-1 (relating to investments by insurance company pooled separate accounts), PTCE 91-38 (relating to investments in bank collective investment funds), PTCE 95-60 (relating to transactions involving insurance company general accounts), PTCE 96-23 (relating to transactions directed by an in-house professional asset manager) or the statutory prohibited transaction exemption for service providers set forth in Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code or a similar class or statutory exemption and will not result in a non-exempt prohibited transaction under Section 406 of ERISA or section 4975 of the Code (or, in the case of a governmental, non-U.S. or church plan subject to such Similar Law, will not violate any such Similar Law). In the case of any Book-Entry Note, each transferee of such Note or any beneficial interest therein by virtue of its acquisition of such Note will be deemed to represent either (i) or (ii) above. Further, each transferee of a Note or any beneficial interest therein that is an employee benefit plan, plan or entity is subject to Title I of ERISA or section 4975 of the Code shall be deemed to represent and warrant that (i) none of the Issuer, PLS, CSCIB or any of their respective affiliates has provided any investment advice within the meaning of Section 3(21) of ERISA (and regulations thereunder) to such transferee, or to any fiduciary or other person making the decision to invest the assets of such transferee (“Fiduciary”), in connection with its acquisition of the Note (unless an applicable prohibited transaction exemption is available to cover the purchase or holding of the Note or the transaction is not otherwise prohibited), and (ii) the Fiduciary is exercising its own independent judgment in evaluating the investment in the Note.

SECTION 2. Consent. Each of the Issuer, the Noteholder, the Indenture Trustee, the Administrator, the Servicer and the Administrative Agent hereby consents to this Amendment.

SECTION 3. Authorization and Direction. The Indenture Trustee is hereby authorized and directed to execute (i) that certain Second Amended and Restated Acknowledgment Agreement, dated as of August 10, 2018, among the Indenture Trustee, PLS and Ginnie Mae (the “Acknowledgment Agreement”), (ii) that certain Amendment No. 1 to the Amended and Restated

Series 2016-MSRVF1 Indenture Supplement, dated as of August 10, 2018, among the Issuer, the Indenture Trustee, PLS, as Administrator and Servicer, the Administrative Agent and consented by Credit Suisse AG, Cayman Islands Branch, as Noteholder, and (iii) any other documents related to the issuance of the Series 2018-GT2 Term Notes.

SECTION 4. Conditions to Effectiveness of this Amendment. This Amendment shall become effective upon the latest to occur of the following:

- (a) the execution and delivery of this Amendment by all parties hereto;
- (b) prior notice to each Note Rating Agency that is presently rating any Outstanding Notes and each Note Rating Agency currently rating the Outstanding Notes confirms in writing to the Indenture Trustee that this Amendment will not cause a Ratings Effect on any Outstanding Notes;
- (c) the delivery of an Authorization Opinion;
- (d) the delivery of an Issuer Tax Opinion;
- (e) the Administrative Agent shall have provided its prior written consent to this Amendment;
- (f) the Issuer shall have furnished to the Indenture Trustee (1) an Officer's Certificate stating that all conditions precedent, if any, provided for in the Existing Base Indenture relating to the proposed action have been complied with and (2) an Opinion of Counsel stating that in the opinion of such counsel all such conditions precedent, if any, have been complied with; and
- (g) the delivery of an Opinion of Counsel stating that the execution of such amendment is authorized or permitted by the Trust Agreement and that all conditions precedent have been met;

SECTION 5. No Default; Representations and Warranties. PLS and the Issuer each hereby represents and warrants to the Indenture Trustee and the Administrative Agent that as of the date hereof it is in compliance with all the terms and provisions set forth in the Existing Base Indenture on its part to be observed or performed and remains bound by the terms thereof, and that no Event of Default has occurred or is continuing on the date hereof, and hereby confirms and reaffirms the representations and warranties contained in Section 9.1 of the Existing Base Indenture.

SECTION 6. Single Agreement. Except as expressly amended and modified by this Amendment, all of the terms and conditions of the Existing Base Indenture remain in full force and effect and are hereby reaffirmed.

SECTION 7. Successors and Assigns. This Amendment shall be binding upon the parties hereto and their respective successors and assigns.

SECTION 8. Severability. Each provision and agreement herein shall be treated as separate and independent from any other provision or agreement herein and shall be enforceable notwithstanding the unenforceability of any such other provision or agreement.

SECTION 9. GOVERNING LAW. THIS AMENDMENT AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO OR IN CONNECTION WITH THIS BASE INDENTURE, THE RELATIONSHIP OF THE PARTIES HERETO, AND/OR THE INTERPRETATION AND ENFORCEMENT OF THE RIGHTS AND DUTIES OF THE PARTIES HERETO WILL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK (WITHOUT REFERENCE TO THE CONFLICT OF LAW PRINCIPLES THEREOF OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW) AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

SECTION 10. Counterparts. This Amendment may be executed simultaneously in any number of counterparts. Each counterpart shall be deemed to be an original, and all such counterparts shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page by facsimile or other electronic means shall be effective as delivery of a manually executed counterpart of this Amendment.

SECTION 11. Owner Trustee Limitation of Liability. It is expressly understood and agreed by the parties hereto that (a) this Amendment is executed and delivered by Wilmington Savings Fund Society, FSB (formerly known as Christiana Trust) ("WSFS"), not individually or personally but solely as trustee of the Issuer, in the exercise of the powers and authority conferred and vested in it, (b) each of the representations, warranties, undertakings and agreements herein made on the part of the Issuer is made and intended not as personal representations, warranties, undertakings and agreements by WSFS but is made and intended for the purpose of binding only the Issuer, (c) nothing herein contained shall be construed as creating any liability on WSFS, individually or personally, to perform any covenant either expressed or implied contained herein, all such liability, if any, being expressly waived by the parties hereto and by any Person claiming by, through or under the parties hereto, (d) WSFS has made no investigation as to the accuracy or completeness of any representations or warranties made by the Issuer in this Amendment and (e) under no circumstances shall WSFS be personally liable for the payment of any indebtedness or expenses of the Issuer or be liable for the breach or failure of any obligation, representation, warranty or covenant made or undertaken by the Issuer under this Amendment or any other related documents.

IN WITNESS WHEREOF, the undersigned have caused this Amendment to be duly executed as of the date first above written.

PNMAC GMSR ISSUER TRUST, as Issuer

By: **Wilmington Savings Fund Society, FSB**, not in its individual capacity but solely as Owner Trustee

By: /s/ Jeff Everhart

Name: Jeff Everhart

Title: Vice President

[PNMAC GMSR ISSUER TRUST – Amendment No. 2 to Second A&R Base Indenture]

CITIBANK, N.A., as Indenture Trustee, Calculation Agent, Paying Agent and Securities Intermediary and not in its individual capacity

By: /s/ Valerie Delgado

Name: Valerie Delgado

Title: Senior Trust Officer

[PNMAC GMSR ISSUER TRUST – Amendment No. 2 to Second A&R Base Indenture]

PENNYMAC LOAN SERVICES, LLC,
as Servicer and as Administrator

By: /s/ Pamela Marsh

Name: Pamela Marsh

Title: Managing Director, Treasurer

[PNMAC GMSR ISSUER TRUST – Amendment No. 2 to Second A&R Base Indenture]

**CREDIT SUISSE FIRST BOSTON MORTGAGE
CAPITAL LLC, as Administrative Agent**

By: /s/ Dominic Obaditch

Name: Dominic Obaditch

Title: Vice President

[PNMAC GMSR ISSUER TRUST – Amendment No. 2 to Second A&R Base Indenture]

ACKNOWLEDGED AND AGREED TO BY:

PENTALPHA SURVEILLANCE LLC, as Credit
Manager

By: /s/ James Callahan

Name: James Callahan

Executive Director and Solely as an Authorized Signatory

[PNMAC GMSR ISSUER TRUST – Amendment No. 2 to Second A&R Base Indenture]

[\(Back To Top\)](#)

Section 3: EX-10.2 (EX-10.2)

Exhibit 10.2
EXECUTION COPY

PNMAC GMSR ISSUER TRUST,

as Issuer

and

CITIBANK, N.A.,

as Indenture Trustee, Calculation Agent, Paying Agent and Securities Intermediary

and

PENNYMAC LOAN SERVICES, LLC,

as Administrator and Servicer

and

CREDIT SUISSE FIRST BOSTON MORTGAGE CAPITAL LLC,

as Administrative Agent

SERIES 2018-GT2 INDENTURE SUPPLEMENT

Dated as of August 10, 2018

To

SECOND AMENDED AND RESTATED BASE INDENTURE

Dated as of August 10, 2017

MSR COLLATERALIZED NOTES,
SERIES 2018-GT2



TABLE OF CONTENTS

	<u>PAGE</u>
SECTION 1. CREATION OF THE SERIES 2018-GT2 TERM NOTES.	1
SECTION 2. DEFINED TERMS.	2
SECTION 3. FORM OF THE SERIES 2018-GT2 TERM NOTES; TRANSFER RESTRICTIONS.	7
SECTION 4. PAYMENTS AND ALLOCATION OF FUNDS ON PAYMENT DATES; NO SERIES RESERVE ACCOUNT.	8
SECTION 5. OPTIONAL REDEMPTION AND REFINANCING.	8
SECTION 6. OPTIONAL EXTENSION OF STATED MATURITY DATE.	9
SECTION 7. DETERMINATION OF NOTE INTEREST RATE AND LIBOR.	9
SECTION 8. CONDITIONS PRECEDENT SATISFIED.	10
SECTION 9. REPRESENTATIONS AND WARRANTIES.	10
SECTION 10. AMENDMENTS.	10
SECTION 11. COUNTERPARTS.	12
SECTION 12. ENTIRE AGREEMENT.	12
SECTION 13. LIMITED RECOURSE.	13
SECTION 14. OWNER TRUSTEE LIMITATION OF LIABILITY.	13
SECTION 15. CREDIT RISK RETENTION.	14

This SERIES 2018-GT2 INDENTURE SUPPLEMENT (this “Indenture Supplement”), dated as of August 10, 2018, is made by and among PNMAC GMSR ISSUER TRUST, a statutory trust organized under the laws of the State of Delaware, as issuer (the “Issuer”), CITIBANK, N.A., a national banking association, as indenture trustee (the “Indenture Trustee”), as calculation agent (the “Calculation Agent”), as paying agent (the “Paying Agent”) and as securities intermediary (the “Securities Intermediary”), PENNYMAC LOAN SERVICES, LLC, a limited liability company organized under the laws of the State of Delaware (“PLS”), as administrator (the “Administrator”) and servicer (the “Servicer”), and CREDIT SUISSE FIRST BOSTON MORTGAGE CAPITAL LLC (“CSFB”), a Delaware limited liability company, as Administrative Agent. This Indenture Supplement relates to and is executed pursuant to that certain Second Amended and Restated Base Indenture, dated as of August 10, 2017, including the schedules and exhibits thereto (as supplemented hereby, as amended by Amendment No. 1 thereto, dated as of February 28, 2018, and by Amendment No. 2 thereto, dated as of August 10, 2018, and as may be further amended, restated, supplemented or otherwise modified from time to time, the “Base Indenture”), among the Issuer, PLS, the Indenture Trustee, the Calculation Agent, the Paying Agent, the Securities Intermediary, and PENTALPHA SURVEILLANCE LLC, a Delaware limited liability company, as credit manager (the “Credit Manager”), CSFB, as Administrative Agent, and the “Administrative Agents” from time to time parties thereto, all the provisions of which are incorporated herein as modified hereby and shall be a part of this Indenture Supplement as if set forth herein in full (the Base Indenture as so supplemented by this Indenture Supplement, collectively referred to as the “Indenture”).

Capitalized terms used and not otherwise defined herein shall have the respective meanings given them in the Base Indenture.

PRELIMINARY STATEMENT

The Issuer has duly authorized the issuance of a Series of Term Notes, the Series 2018-GT2 Term Notes (as defined below). The parties are entering into this Indenture Supplement to document the terms of the issuance of the Series 2018-GT2 Term Notes pursuant to the Base Indenture, which provides for the issuance of Notes in multiple series from time to time.

Section 1. Creation of the Series 2018-GT2 Term Notes.

There are hereby created, effective as of the Issuance Date, the Series 2018-GT2 Term Notes, to be issued pursuant to the Base Indenture and this Indenture Supplement, to be known as “PNMAC GMSR ISSUER TRUST MSR Collateralized Notes, Series 2018-GT2” (the “Series 2018-GT2 Term Notes”). The Series 2018-GT2 Term Notes will be rated and shall be subordinated to the Series 2016-MBSADV1 Notes. The Series 2018-GT2 Term Notes are issued in one (1) Class of Term Notes with the Initial Note Balance, Stated Maturity Date, Note Interest Rate and other terms as specified in this Indenture Supplement. The Series 2018-GT2 Term Notes shall be secured by the Trust Estate Granted to the Indenture Trustee pursuant to the Base Indenture. The Indenture Trustee shall hold the Trust Estate as collateral security for the benefit of the Noteholders of the Series 2018-GT2 Term Notes and all other Series of Notes issued under the Base Indenture as described therein. In the event that any term or provision contained herein with respect to the Series 2018-GT2 Term Notes shall conflict with or be inconsistent with any

term or provision contained in the Base Indenture, the terms and provisions of this Indenture Supplement shall govern to the extent of such conflict.

Section 2. Defined Terms.

With respect to the Series 2018-GT2 Term Notes and in addition to or in replacement of the definitions set forth in Section 1.1 of the Base Indenture, the following definitions shall be assigned to the defined terms set forth below:

“Acquired MSRs” means, with respect to the acquisition by PLS of servicing related to previously issued Ginnie Mae MBS, the MSRs related to the Mortgage Loans included in such acquired Ginnie Mae MBS.

“Administrative Agent” means, for so long as the Series 2018-GT2 Term Notes are Outstanding: (i) with respect to the provisions of this Indenture Supplement, CSFB, or an Affiliate or successor thereto; and (ii) with respect to the provisions of the Base Indenture, together CSFB and such other parties as set forth in any other Indenture Supplement, or a respective Affiliate or any respective successor thereto. For the avoidance of doubt, reference to “it” or “its” with respect to the Administrative Agent in this Indenture Supplement or in the Base Indenture shall mean “them” and “their,” and reference to the singular herein and therein in relation to the Administrative Agent will be construed as if plural.

“Advance Rate” means, with respect to the Series 2018-GT2 Term Notes, 60% of the Collateral Value of the Portfolio; provided, that, upon the occurrence of an Advance Rate Reduction Event, the Advance Rate will decrease by 1.00% per month until the Advance Rate Reduction Event is cured in all respects subject to the satisfaction of the Administrative Agent, at which point the Advance Rate, as applicable, will revert to the value it had prior to the occurrence of such Advance Rate Reduction Event.

“Anticipated Amendments” has the meaning assigned to such term in Section 10(b) hereof.

“Applicable Ratings” means, with respect to the Series 2018-GT2 Term Notes, “BBB- (sf)”.

“Base Indenture” has the meaning assigned to such term in the Preamble.

“Corporate Trust Office” means the corporate trust offices of the Indenture Trustee at which at any particular time its corporate trust business with respect to the Issuer shall be administered, which offices at the Issuance Date are located at Citibank, N.A., Corporate and Investment Banking, 388 Greenwich Street, 14th Floor, New York, NY 10013, Attention: PNMAC GMSR ISSUER TRUST MSR Collateralized Notes, including for Note transfer, exchange or surrender purposes.

“Cumulative Interest Shortfall Amount Rate” means, with respect to the Series 2018-GT2 Term Notes, 2.00% *per annum*.

“Default Supplemental Fee” means, for the Series 2018-GT2 Term Notes and each Payment Date during the Full Amortization Period and on the date of final payment of such Notes

(if the Full Amortization Period is continuing on such final payment date), a fee equal to (1) the related Cumulative Default Supplemental Fee Shortfall Amount, plus (2) the product of:

- (i) the Default Supplemental Fee Rate multiplied by
- (ii) the average daily Note Balance since the prior Payment Date of the Series 2018-GT2 Term Notes multiplied by
- (iii) a fraction, the numerator of which is the number of days elapsed from and including the prior Payment Date (or, if later, the commencement of the Full Amortization Period) to but excluding such Payment Date and the denominator of which equals 360.

“Default Supplemental Fee Rate” means, with respect to the Series 2018-GT2 Term Notes, 2.00% *per annum*.

“Early Amortization Event” occurs with respect to the Series 2018-GT2 Term Notes when:

- (i) the amount currently funded with respect to all Series of VFNs, measured individually, by a Noteholder of an MBS Advance VFN is less than \$50,000,000;
- (ii) an Advance Rate Reduction Event has occurred and has been continuing for six (6) consecutive months; or
- (iii) the unpaid principal balance of the Portfolio is less than \$35 billion.

“Early Amortization Event Payment Amount” means, with respect to the Series 2018-GT2 Term Notes, the sum of (i) one-thirty-sixth (1/36) of the Note Balance of the Series 2018-GT2 Term Notes as of the date on which an Early Amortization Event occurs and (ii) the product of (a) the Series Allocation Percentage of the Series 2018-GT2 Term Notes and (b) the amounts in the Collection and Funding Account that are designated as “Advance Rate Reduction Event Reserve Amounts” on such Payment Date, if applicable.

“Early Termination Event” means, with respect to the Series 2018-GT2 Term Notes, not applicable.

“Early Termination Event Payment Amount” means, with respect to the Series 2018-GT2 Term Notes, not applicable.

“Indenture” has the meaning assigned to such term in the Preamble.

“Indenture Supplement” has the meaning assigned to such term in the Preamble.

“Initial Note Balance” means, for the Series 2018-GT2 Term Notes, \$650,000,000.

“Initial Purchasers” means together, Credit Suisse Securities (USA) LLC and Citigroup Global Markets, Inc.

“Interest Accrual Period” means, for the Series 2018-GT2 Term Notes, (i) with respect to the first Payment Date, the period that will commence on the Issuance Date and will end on the

day immediately preceding the Payment Date in August 2018, and (ii) with respect to any subsequent Payment Dates, the period that will commence on the immediately preceding Payment Date and end on the day immediately preceding the current Payment Date. Interest payable on the Series 2018-GT2 Term Notes for each Payment Date will be calculated based on the Interest Day Count Convention. The first Payment Date with respect to the Series 2018-GT2 Term Notes will be August 27, 2018.

“Interest Day Count Convention” means, with respect to the Series 2018-GT2 Term Notes, the actual number of days in the related Interest Accrual Period, divided by 360.

“Interim Servicer” means a transferor servicer of the Acquired MSRs who may interim service the Mortgage Pools related to the Acquired MSRs on PLS’ behalf and collect payments from the related borrowers, prior to the date when PLS starts servicing the Mortgage Pools related to such MSRs and collecting payments from the related borrowers pursuant to the terms of the Acknowledgment Agreement.

“Interim Servicing Period” means a period of time no longer than one hundred and twenty (120) days prior to the related transfer of servicing to PLS from an Interim Servicer.

“Issuance Date” means August 10, 2018.

“LIBOR” means the London interbank offered rate.

“LIBOR Determination Date” means for each Payment Date and the related Interest Accrual Period following the first Payment Date, the second (2nd) London Banking Day prior to the commencement of such Interest Accrual Period.

“LIBOR Index Rate” means for a one-month period, the LIBOR per annum (rounded upward, if necessary, to the next higher one hundred-thousandth of a percentage point) for deposits in U.S. Dollars for a one-month period, which appears on the LIBOR01 Page as of 11:00 a.m. (London, England time) on the LIBOR Determination Date.

“LIBOR Rate” means, with respect to any Interest Accrual Period with respect to which interest is to be calculated by reference to the “LIBOR Rate,” (a) the LIBOR Index Rate for a one-month period, if such rate is available, (b) in the event that LIBOR and LIBOR Index Rate are phased out, and a new benchmark intended as a replacement for LIBOR and LIBOR Index Rate is established or administered by the Financial Conduct Authority or ICE Benchmark Administration or other comparable authority, and such new benchmark with a one-month maturity is readily available through Bloomberg or a comparable medium, then the Administrator, with the Administrative Agent’s written consent, shall direct the Indenture Trustee to utilize such new benchmark with a one-month maturity for all purposes hereof in place of the LIBOR Index Rate, and (c) if the LIBOR Index Rate cannot be determined or has been phased out and no new benchmark under clause (b) has been established, the arithmetic average of the rates of interest per annum (rounded upward, if necessary, to the nearest 1/100 of 1%) at which deposits in U.S. Dollars in immediately available funds are offered to the Administrative Agent at 11:00 a.m. (London, England time) two (2) London Banking Days before the beginning of such one-month period by three (3) or more major banks in the interbank Eurodollar market selected by the Administrative Agent for delivery on the first day of and for a period equal to such one-month period and in an

amount equal or comparable to the principal amount of the portion of the Note Balance on which the “LIBOR Rate” is being calculated.

“LIBOR01 Page” means the display designated as “LIBOR01 Page” on the Reuters Service (or such other page as may replace the LIBOR01 Page on that service or such other service as may be nominated by the ICE Benchmark Administration as an information vendor for the purpose of displaying ICE Benchmark Administration interest settlement rates for U.S. Dollar deposits).

“London Banking Day” means any day on which commercial banks and foreign exchange markets settle payment in both London and New York City.

“Margin” means, for the Series 2018-GT2 Term Notes, 2.65% *per annum*.

“Note Interest Rate” means, for the Series 2018-GT2 Term Notes, with respect to any Interest Accrual Period, the sum of LIBOR Rate (as determined by the Indenture Trustee as described in Section 7 hereof) plus the Margin.

“Note Maximum Principal Balance” means, with respect to the Series 2018-GT2 Term Notes, the Initial Note Balance or, a lesser amount if the Series 2018-GT2 Term Notes are redeemed in part.

“Note Purchase Agreement” means that certain Series 2018-GT2 Note Purchase Agreement, dated as of August 7, 2018, by and among the Issuer, CSFB, as Administrative Agent on behalf of the Initial Purchasers, PLS, as Administrator and Servicer, and the Initial Purchasers, that relates to the purchase of the Series 2018-GT2 Term Notes, as amended, restated, supplemented or otherwise modified from time to time.

“Note Rating Agency” means Kroll Bond Rating Agency, Inc.

“Optional Extension Date” means August 25, 2023.

“PLS” has the meaning assigned to such term in the Preamble.

“Regulation RR” has the meaning assigned to such term in Section 15 of this Indenture Supplement.

“Scheduled Principal Payment Amount” means, with respect to any Payment Date following a Scheduled Principal Payment Event, an amount equal to the sum of the Series Principal Payment Amounts due and payable on each Series of Terms Notes then outstanding.

“Scheduled Principal Payment Events” means, for any Payment Date with respect to the Series 2018-GT2 Term Notes, a Series Principal Payment Amount will be due on a one-time basis on any Payment Date following the occurrence of any of the following events (each, a “Scheduled Principal Payment Event”):

- (i) the unpaid principal balance of the Portfolio is less than \$85 billion and a Borrowing Base Deficiency exists as of the close of business on the last day of the related

Collection Period, prior to the paydown of the VFN Principal Balance of any Outstanding Class of VFNs from the preceding Payment Date;

(ii) the unpaid principal balance of the Portfolio is less than \$80 billion and a Borrowing Base Deficiency exists as of the close of business on the last day of the related Collection Period, prior to the paydown of the VFN Principal Balance of any Outstanding Class of VFNs from the preceding Payment Date;

(iii) the unpaid principal balance of the Portfolio is less than \$75 billion and a Borrowing Base Deficiency exists as of the close of business on the last day of the related Collection Period, prior to the paydown of the VFN Principal Balance of any Outstanding Class of VFNs from the preceding Payment Date;

(iv) the unpaid principal balance of the Portfolio is less than \$70 billion and a Borrowing Base Deficiency exists as of the close of business on the last day of the related Collection Period, prior to the paydown of the VFN Principal Balance of any Outstanding Class of VFNs from the preceding Payment Date;

(v) the unpaid principal balance of the Portfolio is less than \$65 billion and a Borrowing Base Deficiency exists as of the close of business on the last day of the related Collection Period, prior to the paydown of the VFN Principal Balance of any Outstanding Class of VFNs from the preceding Payment Date;

(vi) the unpaid principal balance of the Portfolio is less than \$60 billion and a Borrowing Base Deficiency exists as of the close of business on the last day of the related Collection Period, prior to the paydown of the VFN Principal Balance of any Outstanding Class of VFNs from the preceding Payment Date;

(vii) the unpaid principal balance of the Portfolio is less than \$55 billion and a Borrowing Base Deficiency exists as of the close of business on the last day of the related Collection Period, prior to the paydown of the VFN Principal Balance of any Outstanding Class of VFNs from the preceding Payment Date;

(viii) the unpaid principal balance of the Portfolio is less than \$50 billion and a Borrowing Base Deficiency exists as of the close of business on the last day of the related Collection Period, prior to the paydown of the VFN Principal Balance of any Outstanding Class of VFNs from the preceding Payment Date;

(ix) the unpaid principal balance of the Portfolio is less than \$45 billion and a Borrowing Base Deficiency exists as of the close of business on the last day of the related Collection Period, prior to the paydown of the VFN Principal Balance of any Outstanding Class of VFNs from the preceding Payment Date; or

(x) the unpaid principal balance of the Portfolio is less than \$40 billion and a Borrowing Base Deficiency exists as of the close of business on the last day of the related Collection Period, prior to the paydown of the VFN Principal Balance of any Outstanding Class of VFNs from the preceding Payment Date.

“Series 2018-GT2 Term Notes” has the meaning assigned to such term in Section 1 of this Indenture Supplement.

“Series Principal Payment Amount” means, with respect to the Series 2018-GT2 Term Notes, upon the occurrence of a Scheduled Principal Payment Event, an amount equal to the product of (i) the Series Allocation Percentage of the Series 2018-GT2 Term Notes and (ii) the product of (a) \$5,000,000,000, (b) the Market Value Percentage (as calculated using clause (b)(ii) of the definition thereof) and (c) the Advance Rate of the Series 2018-GT2 Term Notes.

“Series Required Noteholders” means, for so long as the Series 2018-GT2 Term Notes are Outstanding, Noteholders of the Series 2018-GT2 Term Notes constituting the Majority Noteholders of such Series.

“Specified Call Premium Amount” means, as of any date of determination in respect of the Series 2018-GT2 Term Notes, the greater of (i) \$0 and (ii) (a) the quotient of: (1) the product of: (x) the Note Interest Rate multiplied by (y) the outstanding Note Balance divided by (2) 360 multiplied by (b) the positive excess, if any, of 360 over the number of days from and including the date the Series 2018-GT2 Term Notes were issued through and including the date on which the Series 2018-GT2 Term Notes are redeemed.

“Stated Maturity Date” means, for Series 2018-GT2 Term Notes, August 25, 2023, or if extended pursuant to Section 6 hereof, August 25, 2025.

“Step-Up Fee” means for the Series 2018-GT2 Term Notes and each Payment Date during the Step-Up Fee Period and on the date of final payment of such Notes (if the Step-Up Fee Period is continuing on such final payment date), a fee equal to (1) the related Cumulative Step-Up Fee Shortfall Amount plus (2) the product of (i) the Step-Up Fee Rate multiplied by (ii) the average daily Note Balance since the prior Payment Date of the Series 2018-GT2 Term Notes multiplied by (iii) a fraction, (A) the numerator of which is the number of days elapsed from and including the prior Payment Date (or, if later, the commencement of the Step-Up Fee Period) to but excluding such Payment Date and (B) the denominator of which equals 360.

“Step-Up Fee Period” means the period that begins on the Payment Date immediately following the Optional Extension Date and ends on the date on which the Series 2018-GT2 Term Notes are no longer outstanding.

“Step-Up Fee Rate” means, with respect to the Series 2018-GT2 Term Notes, 0.75% *per annum*.

“WSFS” has the meaning assigned to such term in Section 14 hereof.

Section 3. Form of the Series 2018-GT2 Term Notes; Transfer Restrictions.

(a) Subject to the terms and provisions of Section 5.4 of the Base Indenture, the Series 2018-GT2 Term Notes shall only be issued as a Book-Entry Note, and the form of Global Rule 144A Note that may be used to evidence the Series 2018-GT2 Term Notes in the circumstances described in Section 5.2(c) of the Base Indenture is attached to the Base Indenture as Exhibit A-1.

The Series 2018-GT2 Term Notes shall not be issued as a Regulation S Notes nor shall any Series 2018-GT2 Term Notes be sold in offshore transactions in reliance on Regulation S.

The Series 2018-GT2 Term Notes will be issued in minimum denominations of \$100,000 and integral multiples of \$1,000 in excess thereof.

(b) The Series 2018-GT2 Term Notes will not be registered under the 1933 Act, or the securities laws of any other jurisdiction. The sale, pledge or other transfer of any Series 2018-GT2 Term Note or any interest therein will be subject to the restrictions described below. The Series 2018-GT2 Term Notes will bear a legend referring to the transfer restrictions thereof. None of the Issuer or the Initial Purchasers will register the Series 2018-GT2 Term Notes under the 1933 Act, register or qualify the Series 2018-GT2 Term Notes under the securities laws of any state or other jurisdiction or provide registration rights to any purchaser.

In addition to any provisions set forth in Section 6.5 of the Base Indenture, any Noteholder of the Series 2018-GT2 Term Notes may only resell, pledge or transfer its beneficial interest in a Series 2018-GT2 Term Note to a person that the transferor reasonably believes is, and who has certified (or, in the case of Book-Entry Notes, is deemed to have certified) that it is a Qualified Institutional Buyer that purchases for its own account or for the account of a Qualified Institutional Buyer and to whom notice is given that the resale, pledge or transfer is made in reliance on Rule 144A. The Series 2018-GT2 Term Notes may not be resold, pledged or transferred pursuant to Regulation S.

Section 4. Payments and Allocation of Funds on Payment Dates; No Series Reserve Account.

(a) Except as otherwise expressly set forth herein, the Paying Agent shall make payments on the Series 2018-GT2 Term Notes on each Payment Date in accordance with Section 4.5 of the Base Indenture.

(b) There will be no Series Reserve Account for the Series 2018-GT2 Term Notes.

(c) The Administrative Agent and the Issuer further confirm that the Series 2018-GT2 Term Notes issued on the Issuance Date pursuant to this Indenture Supplement shall be issued in the name of “Cede & Co.”, as nominee of DTC, pursuant to a letter agreement between the Issuer and DTC, to be dated as of the Issuance Date. The Issuer and the Administrative Agent hereby direct the Indenture Trustee to issue the Series 2018-GT2 Term Notes in the name of “Cede & Co”.

Section 5. Optional Redemption and Refinancing.

(a) The Issuer may, at any time, subject to Section 13.1 of the Base Indenture, upon at least five (5) Business Days’ prior written notice to the Administrative Agent, the Indenture Trustee and the Noteholders of the Series 2018-GT2 Term Notes, redeem in whole or in part (so long as, in the case of any partial redemption, (i) such redemption is funded using the proceeds of the issuance and sale of one or more new Classes of Notes or from any other cash or funds of PLS and not Collections on the MSRs, and (ii) the Series 2018-GT2 Term Notes are redeemed on a *pro rata* basis based on their related Note Balances), and/or terminate and cause retirement of the

Series 2018-GT2 Term Notes. In anticipation of a redemption of the Series 2018-GT2 Term Notes at the end of their Revolving Period, the Issuer may issue a new Series or one or more Classes of Notes within the ninety (90) day period prior to the end of such Revolving Period and reserve the cash proceeds of the issuance for the sole purpose of paying the principal balance and all accrued and unpaid interest on the Series 2018-GT2 Term Notes, on the last day of their Revolving Period. Any amendment to this Indenture Supplement executed to effect an optional redemption may be entered into without consent of the Noteholders of the Series 2018-GT2 Term Notes or of any other Notes issued under the Base Indenture (but with satisfaction of other requirements for amendments entered into without Noteholder consent). Any Notes issued in replacement for the Series 2018-GT2 Term Notes will have the same rights and privileges as the Class of Series 2018-GT2 Term Notes that was refinanced with the related proceeds thereof; provided, such replacement Notes may have different Stated Maturity Dates and different Note Interest Rates.

(b) If the Issuer redeems the Series 2018-GT2 Term Notes within 360 days from and including the Issuance Date, the Issuer shall pay to the Noteholders of the Series 2018-GT2 Term Notes as part of the Redemption Amount an amount equal to the Specified Call Premium Amount.

Section 6. Optional Extension of Stated Maturity Date.

The Administrator, on behalf of the Issuer, may by written notice to the Administrative Agent and the Indenture Trustee, request a single extension of the Stated Maturity Date for the Series 2018-GT2 Term Notes at least fifteen (15) days prior to the Optional Extension Date (the “Optional Extension”); provided that the term of the Acknowledgment Agreement is also extended through December 2025. To the extent the Administrator has exercised the Optional Extension and the term of the Acknowledgment Agreement has been extended through December 2025, the Stated Maturity Date will be extended on the Optional Extension Date such that, after giving effect to such extension, the Stated Maturity Date will be two (2) years after the Stated Maturity Date in effect immediately prior to exercise of the Optional Extension. The Stated Maturity Date of the Series 2018-GT2 Term Notes cannot be extended past the date which is two (2) years following the initial Stated Maturity Date in effect immediately prior to exercise of the Optional Extension. Upon exercise of the Optional Extension, during the Step-Up Fee Period, the Step-Up Fee will apply to the Series 2018-GT2 Term Notes.

Section 7. Determination of Note Interest Rate and LIBOR.

(a) At least one (1) Business Day prior to each Determination Date, the Indenture Trustee shall calculate the Note Interest Rate for the related Interest Accrual Period and the Interest Payment Amount for the Series 2018-GT2 Term Notes for the upcoming Payment Date, and include a report of such amount in the related Payment Date Report.

(b) On each LIBOR Determination Date, the Indenture Trustee will determine the LIBOR Rate for the succeeding Interest Accrual Period for the related Series 2018-GT2 Term Notes on the basis of the procedures specified in the definition of “LIBOR Rate.”

(c) The establishment of One-Month LIBOR by the Indenture Trustee and the Indenture Trustee’s subsequent calculation of the Note Interest Rate and the Interest Payment

Amount on the Series 2018-GT2 Term Notes for the relevant Interest Accrual Period, in the absence of manifest error, will be final and binding.

Section 8. Conditions Precedent Satisfied.

The Issuer hereby represents and warrants to the Noteholders of the Series 2018-GT2 Term Notes and the Indenture Trustee that, as of the issuance date (a) the Series 2018-GT2 Term Notes are rated BBB- (sf) by the Note Rating Agency and (b) each of the conditions precedent set forth in the Base Indenture, including but not limited to those conditions precedent set forth in Section 6.10(b) of the Base Indenture and Article XII thereof, as applicable, to the issuance of the Series 2018-GT2 Term Notes have been satisfied or waived in accordance with the terms thereof.

Section 9. Representations and Warranties.

The Issuer, the Administrator, the Servicer and the Indenture Trustee hereby restate as of the related Issuance Date, or as of such other date as is specifically referenced in the body of such representation and warranty, all of the representations and warranties set forth in Sections 9.1, 10.1 and 11.14, respectively, of the Base Indenture.

The Administrator hereby represents and warrants that it is not in default with respect to any material contract under which a default should reasonably be expected to have a material adverse effect on the ability of the Administrator to perform its duties under this Indenture or any Indenture Supplement, or with respect to any order of any court, administrative agency, arbitrator or governmental body which would have a material adverse effect on the transactions contemplated hereunder, and no event has occurred which with notice or lapse of time or both would constitute such a default with respect to any such contract or order of any court, administrative agency, arbitrator or governmental body.

PLS hereby represents and warrants that it is not in default with respect to any material contract under which a default should reasonably be expected to have a material adverse effect on the ability of PLS to perform its duties under this Indenture, any Indenture Supplement or any Transaction Document to which it is a party, or with respect to any order of any court, administrative agency, arbitrator or governmental body which would have a material adverse effect on the transactions contemplated hereunder, and no event has occurred which with notice or lapse of time or both would constitute such a default with respect to any such contract or order of any court, administrative agency, arbitrator or governmental body.

Section 10. Amendments.

(a) Notwithstanding any provisions to the contrary in Article XII of the Base Indenture but subject to the provisions set forth in Sections 12.1 and 12.3 of the Base Indenture, without the consent of the Noteholders of any Notes but with the consent of the Issuer (evidenced by its execution of such amendment), the Indenture Trustee, the Administrator, the Servicer (solely in the case of any amendment that adversely affects the rights or obligations of the Servicer or adds new obligations or increases existing obligations of the Servicer), and the Administrative Agent, at any time and from time to time, upon delivery of an Issuer Tax Opinion and upon delivery by the Issuer to the Indenture Trustee of an Officer's Certificate to the effect that the Issuer reasonably believes that such amendment will not have a material Adverse Effect, may amend any Transaction

Document for any of the following purposes: (i) to correct any mistake or typographical error or cure any ambiguity, or to cure, correct or supplement any defective or inconsistent provision therein or in any other Transaction Document; or (ii) to amend any other provision of this Indenture Supplement.

(b) Notwithstanding any provisions to the contrary in Section 6.10 or Article XII of the Base Indenture except for amendments otherwise permitted as described in Sections 12.1 and 12.2 of the Base Indenture and in the immediately preceding paragraph, no supplement, amendment or indenture supplement entered into with respect to the issuance of a new Series of Notes or pursuant to the terms and provisions of Section 12.2 of the Base Indenture may, without the consent of the Series Required Noteholders in respect of the Series 2018-GT2 Term Notes, supplement, amend or revise any term or provision of this Indenture Supplement; provided, that with respect to the following amendments, the consent of each Noteholder of each Outstanding Series 2018-GT2 Term Notes materially and adversely affected thereby shall be required:

- (i) any change to the scheduled payment date of any payment of interest on any Note held by such Noteholder, or change a Payment Date or Stated Maturity Date of any Note held by such Noteholder;
- (ii) any reduction of the Note Balance of, or the Note Interest Rate, the Step-Up Fee Rate or the Default Supplemental Fee Rate on any Notes held by such Noteholder, or change the method of computing the Note Balance or Note Interest Rate in a manner that is adverse to such Noteholder;
- (iii) any impairment of the right to institute suit for the enforcement of any payment on any Note held by such Noteholder;
- (iv) any reduction of the percentage of Noteholders of the Outstanding Notes (or of the Outstanding Notes of any Series or Class), for which consent is required for any such amendment, or the consent of whose Noteholders is required for any waiver of compliance with the provisions of the Indenture or any Indenture Supplement or of defaults thereunder and their consequences, provided for in the Base Indenture or any Indenture Supplement;
- (v) any modification of any amendment of the Indenture, except to increase any percentage of Noteholders required to consent to any such amendment or to provide that other provisions of the Indenture or any Indenture Supplement cannot be modified or waived without the consent of the Noteholder of each outstanding Note adversely affected thereby;
- (vi) any modification to permit the creation of any lien or other encumbrance on the collateral that is prior to the lien in favor of the Indenture Trustee for the benefit of the Noteholders of the Notes;
- (vii) any modification to change the method of computing the amount of principal of, or interest on, any Note held by such Noteholder on any date;

(viii) any modification to increase any Advance Rates in respect of Notes held by such Noteholder or eliminate or decrease any collateral value exclusions in respect of Notes held by such Noteholder; or

(ix) any change, modification or waiver of any Scheduled Principal Payment Amount.

(c) For the avoidance of doubt, the consent of the Servicer is not required for (i) the waiver of any Event of Default or (ii) any other modification or amendment to any Event of Default except those related to the actions and omissions of the Servicer.

(d) For the avoidance of doubt, the Issuer and the Administrator hereby covenant that the Issuer shall not issue any future Series of Notes without designating an entity to act as “Administrative Agent” under the related Indenture Supplement with respect to such Series of Notes.

(e) Any amendment of this Indenture Supplement which affects the rights, duties, immunities, obligations or liabilities of the Owner Trustee in its capacity as owner trustee under the Trust Agreement shall require the written consent of the Owner Trustee.

(f) In the future, with the Administrative Agent’s consent, the Issuer and the Repo Seller may amend the Acknowledgment Agreement, Base Indenture, PC Repurchase Agreement and other Transaction Documents to permit the use of an Interim Servicer for Acquired MSR for an Interim Servicing Period and for certain limitations as to concentration of the Acquired MSR that will be included in the calculation of the Borrowing Base (the “Anticipated Amendments”). The Anticipated Amendments would permit Acquired MSR to be included as Repurchase Assets as of the date that PLS acquires nominal title to the Mortgage Loans related to the MSR, including during the related Interim Servicing Period. Noteholders of the Series 2018-GT2 Term Notes will be deemed to consent to the Anticipated Amendments by their acquisition of the Series 2018-GT2 Term Notes and will not have the ability or right to consent to the Anticipated Amendments at the time of their implementation.

Section 11. Counterparts.

This Indenture Supplement may be executed in any number of counterparts, by manual or facsimile signature, each of which so executed shall be deemed to be an original, but all of such counterparts shall together constitute but one and the same instrument. Delivery of an executed counterpart of a signature page to this Indenture Supplement by facsimile or other electronic means shall be effective as delivery of a manually executed counterpart of this Indenture Supplement.

Section 12. Entire Agreement.

This Indenture Supplement, together with the Base Indenture incorporated herein by reference and the related Transaction Documents, constitutes the entire agreement among the parties hereto with respect to the subject matter hereof, and fully supersedes any prior or contemporaneous agreements relating to such subject matter.

Section 13. Limited Recourse.

Notwithstanding any other terms of this Indenture Supplement, the Series 2018-GT2 Term Notes, any other Transaction Documents or otherwise, the obligations of the Issuer under the Series 2018-GT2 Term Notes, this Indenture Supplement and each other Transaction Document to which it is a party are limited recourse obligations of the Issuer, payable solely from the Trust Estate, and following realization of the Trust Estate and application of the proceeds thereof in accordance with the terms of this Indenture Supplement, none of the Noteholders of Series 2018-GT2 Term Notes, the Indenture Trustee or any of the other parties to the Transaction Documents shall be entitled to take any further steps to recover any sums due but still unpaid hereunder or thereunder, all claims in respect of which shall be extinguished and shall not thereafter revive. No recourse shall be had for the payment of any amount owing in respect of the Series 2018-GT2 Term Notes or this Indenture Supplement or for any action or inaction of the Issuer against any officer, director, employee, shareholder, stockholder or incorporator of the Issuer or any of their successors or assigns for any amounts payable under the Series 2018-GT2 Term Notes or this Indenture Supplement. It is understood that the foregoing provisions of this Section 13 shall not (a) prevent recourse to the Trust Estate for the sums due or to become due under any security, instrument or agreement which is part of the Trust Estate, including, without limitation, the PC Guaranty and the PMT Guaranty or (b) save as specifically provided therein, constitute a waiver, release or discharge of any indebtedness or obligation evidenced by the Series 2018-GT2 Term Notes or secured by this Indenture Supplement. It is further understood that the foregoing provisions of this Section 13 shall not limit the right of any Person to name the Issuer as a party defendant in any proceeding or in the exercise of any other remedy under the Series 2018-GT2 Term Notes or this Indenture Supplement, so long as no judgment in the nature of a deficiency judgment or seeking personal liability shall be asked for or (if obtained) enforced against any such Person or entity.

Section 14. Owner Trustee Limitation of Liability.

It is expressly understood and agreed by the parties hereto that (a) this Indenture Supplement is executed and delivered by Wilmington Savings Fund Society, FSB (“WSFS”), not individually or personally, but solely as trustee of the Issuer, in the exercise of the powers and authority conferred and vested in it, (b) each of the representations, warranties, undertakings and agreements herein made on the part of the Issuer is made and intended not as personal representations, warranties, undertakings and agreements by WSFS, but is made and intended for the purpose of binding only the Issuer, (c) nothing herein contained shall be construed as creating any liability on WSFS, individually or personally, to perform any covenant either expressed or implied contained herein, all such liability, if any, being expressly waived by the parties hereto and by any Person claiming by, through or under the parties hereto, (d) WSFS has made no investigation as to the accuracy or completeness of any representations or warranties made by the Issuer in this Agreement and (e) under no circumstances shall WSFS, be personally liable for the payment of any indebtedness or expenses of the Issuer or be liable for the breach or failure of any obligation, representation, warranty or covenant made or undertaken by the Issuer under this Indenture Supplement or the other Transaction Documents.

Section 15. Credit Risk Retention.

While it is not clear that Section 15G of the 1934 Act, added pursuant to Section 941(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Regulation RR”), applies to the issuance of the Series 2018-GT2 Term Notes and that PLS will be deemed a securitizer for the purposes of Regulation RR, PLS will maintain a subordinated seller’s interest in the Issuer (in the form of the Owner Trust Certificate) that equals not less than 5% of the aggregate unpaid principal balance of any Outstanding Notes (other than Notes held to maturity by PLS or its wholly-owned affiliates), calculated in accordance with Regulation RR.

The seller’s interest expected to be retained by PLS in connection with Regulation RR (to the extent applicable), will equal approximately 34.2% or \$445,107,368 (in each case, as calculated in accordance with Regulation RR), as of the Issuance Date. As the Series 2016-MSRVF1 Notes have not been issued and are held by PLS and financed by CSFB, the Note Balance of the Series 2016-MSRVF1 Notes is not included in the denominator of the calculation that produced the percentage described above in accordance with Regulation RR. If the Note Balance of the Series 2016-MSRVF1 Notes were included in the denominator, the resulting percentage of the seller’s interest would be lower but still in excess of the required 5%.

[Signatures follow]

IN WITNESS WHEREOF, the undersigned have caused this Indenture Supplement to be duly executed by their respective signatories thereunto all as of the day and year first above written.

PNMAC GMSR ISSUER TRUST, as Issuer

By: **Wilmington Savings Fund Society, FSB**, not in its individual capacity but solely as Owner Trustee

By: /s/ Jeff Everhart

Name: Jeff Everhart

Title: Vice President

[PNMAC GMSR ISSUER TRUST—Series 2018-GT2 Indenture Supplement]

CITIBANK, N.A., as Indenture Trustee, Calculation Agent, Paying Agent and Securities Intermediary, and not in its individual capacity

By: /s/ Valerie Delgado

Name: Valerie Delgado

Title: Senior Trust Officer

[PNMAC GMSR ISSUER TRUST—Series 2018-GT2 Indenture Supplement]

**PENNYMAC LOAN SERVICES, LLC, as
Administrator and Servicer**

By: /s/ Pamela Marsh

Name: Pamela Marsh

Title: Managing Director, Treasurer

[PNMAC GMSR ISSUER TRUST—Series 2018-GT2 Indenture Supplement]

**CREDIT SUISSE FIRST BOSTON MORTGAGE
CAPITAL LLC,**
as Administrative Agent

By: /s/ Dominic Obaditch

Name: Dominic Obaditch

Title: Vice President

[PNMAC GMSR ISSUER TRUST—Series 2018-GT2 Indenture Supplement]

[\(Back To Top\)](#)