

**AUDIT COMMITTEE CHARTER
OF
PENNYMAC FINANCIAL SERVICES, INC.**

Purpose

The purpose of the Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of PennyMac Financial Services, Inc. (the “Company”) is to: (i) assist the Board in its oversight of (a) the Company’s accounting and financial reporting process, (b) the integrity and audits of the Company’s consolidated financial statements, (c) the Company’s compliance with legal and regulatory requirements, (d) the qualifications and independence of the Company’s external auditor (the “Independent Auditor”), and (e) the performance of the Independent Auditor and the Company’s internal auditing department (“Internal Audit”); and (ii) prepare the report of the Committee required to be included in the Company’s annual proxy statement.

The Board recognizes that while the Committee has been given certain duties and responsibilities pursuant to this Charter, the Committee is not responsible for guaranteeing the accuracy of the Company’s financial statements or the quality of the Company’s accounting practices. The fundamental responsibility for the Company’s financial statements and disclosures rests with management and the Independent Auditor. The Board also recognizes that meeting the responsibilities of an audit committee requires a degree of flexibility. To the extent that procedures included in this Charter go beyond what is required of an audit committee by existing law and regulation, such procedures are meant to serve as guidelines rather than inflexible rules and the Committee may adopt such different or additional procedures as it deems necessary from time to time.

Composition of the Committee

The Committee shall be comprised of three or more directors, each of whom (i) meets the independence requirements of the New York Stock Exchange (the “NYSE”) and (ii) otherwise satisfies the applicable requirements for audit committee service imposed by the Securities Exchange Act of 1934, as amended (together with the rules promulgated thereunder, the “Exchange Act”), or the NYSE, as well as any other applicable legal or regulatory requirements, subject to the NYSE’s transition rules applicable to companies completing an initial public offering. Each member of the Committee shall be financially literate as such qualification is interpreted by the Board, in its business judgment, or must become financially literate within a reasonable period of time after his or her appointment to the Committee. In addition, at least one member of the Committee, which may be the chairperson must have “accounting or related financial management expertise,” as the Board interprets such qualification in its business judgment and must be designated by the Board to be the “audit committee financial expert,” as such term is defined by the Securities and Exchange Commission (the “Commission”). No member who serves on the audit committee of more than two public companies other than the Company shall be eligible to serve as a member of the Committee, unless the Board shall determine that such simultaneous service would not impair the member’s ability to serve effectively on the Committee. Determinations as to whether a particular member satisfies the requirements for membership on the Committee shall be made by the Board.

Any vacancy on the Committee shall be filled by the Board on the recommendation of the Nominating and Corporate Governance Committee, and members shall serve for such terms as the Board may determine, or until their earlier resignation, death or removal by the Board.

Meetings

The Committee shall meet with such frequency and at such intervals as it shall determine is necessary to carry out its duties and responsibilities but, in any case, not less than four times a year. Meetings of the Committee may be called, notice of all meetings shall be given, and waiver thereof determined, and all actions of the Committee shall be conducted in accordance with the Company's bylaws.

Delegation

The Committee may form, and delegate authority to, subcommittees when it deems appropriate to the extent permitted under applicable law.

External Advisors; Funding

The Committee shall have the sole authority to obtain, at the Company's expense, advice and assistance from independent legal, accounting or other advisors. The Committee shall also have authority to obtain advice and assistance from any officer or personnel of the Company. The Company shall provide for appropriate funding, as determined by the Committee, for the payment of: (i) compensation to the Independent Auditor engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services or other permitted services for the Company; (ii) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties and responsibilities; and (iii) as noted above, compensation to independent legal, accounting and other advisors retained by the Committee. Nothing in this Charter is intended to preclude or impair the protection in Section 141(e) of the Delaware General Corporation Law for good faith reliance by members of the Committee on reports or other information provided by others.

Access and Information

The Committee is at all times authorized to have direct, independent and confidential access to the Independent Auditor and the Company's other directors, management and personnel to carry out the Committee's duties and responsibilities. The Committee is authorized to conduct or authorize investigations into any matters relating to the purposes, duties or responsibilities of the Committee.

Duties and Responsibilities

The Committee shall:

1. Review the adequacy of this Charter at least annually.
2. Review with the Independent Auditor the plans of its annual audit of the Company's financial statements.

3. Review and discuss the annual audited financial statements and quarterly financial statements with management and the Independent Auditor, including the disclosures under the caption “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” In addition, the Committee shall make a recommendation to the Board as to whether the annual audited financial statements should be included in the Company’s Annual Report on Form 10-K.
4. Discuss earnings press releases, as well as financial information and earnings guidance provided to analysts and ratings agencies, it being understood that such discussions may, in the discretion of the Committee, be done generally (i.e., by discussing the types of information to be disclosed and the type of presentation to be made) and that the Committee need not discuss in advance each earnings release or each instance in which the Company gives earnings guidance.
5. Review reports to management prepared by the Independent Auditor or Internal Audit and any responses to the same by management.
6. Be responsible for the appointment, retention, termination, compensation and oversight of the Independent Auditor. The Committee shall also be responsible for the resolution of disagreements between management and the Independent Auditor regarding financial reporting. The Independent Auditor shall report directly to the Committee.
7. Pre-approve all auditing and non-audit services to be provided to the Company by the Independent Auditor, subject to any exceptions provided in the Exchange Act. The Committee may delegate to one or more of its members the authority to grant such pre-approvals, provided that any such decision of such member or members must be presented to the full Committee at its next scheduled meeting.
8. Consider the range of fees for audit and non-audit services.
9. Obtain and review, at least annually, a report from the Independent Auditor describing: the Independent Auditor’s internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or peer review, of the Independent Auditor, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the Independent Auditor, and any steps taken to deal with any such issues; and all relationships between the Independent Auditor and the Company, including the matters set forth in the Independence Standards Board Standard No. 1. Discuss with the Independent Auditor any issues or relationships disclosed in such report that, in the judgment of the Committee, may have an impact on the competence or independence of the Independent Auditor.
10. Obtain and review annually, prior to the completion of the Independent Auditor’s annual audit of the Company’s year-end financial statements (the “Annual Audit”), a report from the Independent Auditor, describing (i) all critical accounting policies and practices to be used in the Annual Audit, (ii) all alternative treatments of financial information within generally accepted accounting principles (“GAAP”) for policies and procedures related to material items that have been discussed with management, ramifications of the use of such

alternative disclosures and treatments, and the treatment preferred by the Independent Auditor and (iii) other material written communications between the Independent Auditor and management, such as any management letter or schedule of unadjusted differences. Review any reports on such topics or similar topics prepared by management. Discuss with the Independent Auditor any material issues raised in such reports.

11. Review and evaluate the lead audit partner of the Independent Auditor and assure the regular rotation of the lead audit partner, the concurring partner and other audit partners engaged in the Annual Audit, to the extent required by law.
12. Obtain from the Independent Auditor the reports required to be furnished to the Committee under Section 10A of the Exchange Act and assurance from the Independent Auditor that Section 10A(b) of the Exchange Act has not been implicated.
13. Review the Company's financial reporting processes and internal controls, based on consultation with the Independent Auditor and Internal Audit. Such review shall include a consideration of major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, and major issues as to the adequacy of the Company's internal controls and any special audit steps adopted in light of identified deficiencies.
14. Review the type and presentation of information to be included in the Company's earnings press releases (paying particular attention to any use of "pro forma," or "adjusted" non-GAAP, information), as well as review any financial information and earnings guidance provided by the Company to analysts and rating agencies.
15. Review and discuss with management and with the Independent Auditor and Internal Audit the Company's internal control over financial reporting and any report by management thereon and any opinion by the Independent Auditor relating thereto. Receive reports from management regarding management's quarterly evaluations of changes in internal controls over financial reporting and discuss with management and the Independent Auditor and Internal Audit, as appropriate.
16. Discuss with the Independent Auditor the Independent Auditor's judgment about the quality, not just the acceptability, of the accounting principles applied in the Company's financial reporting.
17. Discuss with the Independent Auditor the Independent Auditor's judgment about the competence, performance and cooperation of Internal Audit and management.
18. Discuss with Internal Audit and management their views as to the competence, performance and independence of the Independent Auditor.
19. Review with the Independent Auditor, on a regular basis, any audit problems or difficulties and management's response. The review shall include any restrictions on the scope of the Independent Auditor's activities or on access to requested information, and any significant disagreements with management. The review should also include a discussion of the

independence, responsibilities, budget and staffing of the Company's Internal Audit function.

20. Review with the Independent Auditor, Internal Audit and management the extent to which any previously-approved changes or improvements in financial or accounting practices and internal controls have been implemented.
21. Review annually the effect of regulatory and accounting initiatives, and significant estimates, judgments, uncertainties or unusual transactions on the Company's financial statements.
22. Review annually the effect of off-balance sheet structures, if any, on the Company's financial statements.
23. Set clear hiring policies for employees or former employees of the Independent Auditor.
24. Establish procedures for (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters. Review periodically with management and Internal Audit these procedures and any significant complaints received.
25. Direct the Company to evaluate the effectiveness of its compliance programs as they relate to applicable laws and regulations with respect to securities, financial and accounting matters on a periodic basis, which shall include a review of the adequacy of resources directed to such compliance programs. The Committee shall direct the Company to ensure that appropriate changes and improvements to the compliance programs are made based on the results of such periodic evaluations.
26. Review management reports from the Company on the effectiveness of its compliance program, policies and procedures with respect to securities, financial and accounting matters, significant legal or regulatory compliance exposure and material inquiries from government or regulatory agencies.
27. Meet separately, periodically, with management, Internal Audit and the Independent Auditor.
28. Report regularly to the Board, both with respect to the activities of the Committee generally and with respect to any issues that arise regarding the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the Independent Auditor or the performance of Internal Audit.
29. Review with the Company's Chief Legal Officer, or appropriate delegates, the Company's compliance with legal and regulatory requirements.

30. Discuss with the Independent Auditor any relationships with unconsolidated entities or any other persons, which may have a material current or future effect on the financial condition or results of the Company and are required to be reported under the Commission's rules.
31. Review the Company's tax compliance plan and all tax filings procedures with the Company's tax advisor.
32. Oversee, review and periodically update the Company's Code of Business Conduct and Ethics and the Company's system to monitor compliance with and enforce such code.
33. Review requests for any waiver of the Company's Code of Business Conduct and Ethics and recommend to the Board whether a particular waiver should be granted.
34. Receive reports from and advise management on the public policy and reputation issues facing the Company.
35. Conduct an annual performance evaluation to, at a minimum, (i) compare the performance of the Committee to the requirements of this Charter and any other duties or responsibilities delegated to the Committee by the Board and (ii) recommend to the Board any improvements to this Charter that the Committee deems to be necessary or appropriate and report to the Board the results of the evaluation, which may take the form of an oral presentation by a member of the Committee to the Board.
36. Prepare the report of the Committee required to be included in the Company's annual proxy statement.
37. Serve as the qualified legal compliance committee (the "QLCC"), pursuant to Section 307 of the Sarbanes-Oxley Act of 2002, in accordance with the QLCC procedures attached hereto as Exhibit A.
38. Perform such other duties and responsibilities, consistent with this Charter and governing law, delegated to the Committee by the Board.
39. Review and approve at least annually the Internal Audit Charter.
40. Review and approve the annual risk assessment process undertaken by Internal Audit.
41. Review and approve at least annually the Company's audit plan.
42. Review and approve at least annually the Company's Policy Against Insider Trading.

EXHIBIT A – QLCC PROCEDURES

- (1) An attorney (the “Reporting Attorney”) reporting a “material violation” under 17 CFR Part 205 (“Attorney Rules”) is permitted to report evidence of such a material violation directly to the qualified legal compliance committee, which is comprised of all Audit Committee members of the Company (“QLCC”).
- (2) The Company’s officers shall provide contact information for the members of the QLCC to all attorneys who provide services to the Company and would be deemed to be practicing before the Commission under the Attorney Rules.
- (3) The QLCC shall designate an appropriate repository for the retention of materials generated in connection with the receipt of any report of a material violation by the QLCC.
- (4) Once a report of evidence of a material violation by the Company, its officers, directors, employees or agents has been received by the QLCC, the QLCC has the authority and responsibility:
 - (i) to inform the Company’s Chief Executive Officer of such report; and
 - (ii) to determine whether an investigation is necessary or appropriate, and, if it determines an investigation is necessary or appropriate, to:
 - (A) notify the full Board of Directors;
 - (B) initiate an investigation, which may be conducted, in the discretion of the QLCC, by the Company’s Chief Executive Officer or by outside attorneys and/or other advisors selected by the QLCC; and
 - (C) retain such additional expert personnel as the QLCC deems necessary; and, at the conclusion of such investigation:
 - (D) recommend, by majority vote, that the Company implement an appropriate response to evidence of a material violation; and
 - (E) inform the Company’s Chief Executive Officer and the Board of Directors of the results of any such investigation and the appropriate remedial measures.
 - (iii) by majority vote, to take all other appropriate action, including notifying the Commission in the event that the Company fails in any material respect to implement an appropriate response that the QLCC has recommended.