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**PennyMac Announces  
New Servicing Advance Financing**

*Structure enhancement completed with Ginnie Mae to allow private financing for servicing advances*

Westlake Village, CA, April 7<sup>th</sup>, 2020 – PennyMac Financial Services, Inc. (NYSE: PFSI) today announced that it has completed an agreement for new servicing advance financing through PNMAC GMSR ISSUER TRUST (the “Trust”), an indirect, wholly owned subsidiary of PFSI. Under this agreement, the Trust has issued new GMSR Servicing Advance Notes. The structure enhancement, which has been in development since early 2019, will provide PFSI enhanced liquidity to directly support its servicing advance obligations to Ginnie Mae and its security holders as necessary and afford borrowers critical relief as required under the recently enacted CARES Act.

In recent years, Ginnie Mae has made enhancements to its acknowledgment agreement to be more widely used and increase the supply of private financing from large banks and other institutional investors to support investment in Ginnie Mae mortgage servicing rights (MSRs). Through this new transaction, PennyMac is leveraging its existing MSR financing facility to support a separately defined servicing advance facility within the existing structure. In this case, the security of the collateral for the advance line depends on the control of the MSRs granted under the Ginnie Mae acknowledgment agreement.

“The ability of leading mortgage servicers such as PennyMac to finance MSR assets and the related servicing advances is necessary for the smooth functioning of the residential finance industry and is of especially high importance given the current dislocations in the financial and mortgage markets as a result of the novel coronavirus pandemic,” said PennyMac Financial President and CEO David Spector. “This structure enhancement is an important step towards boosting liquidity in the housing finance market.”

Mr. Spector continued, “PennyMac has been working closely with federal government housing related agencies and regulators to ensure that we are able to offer the relief our borrowers need in this challenging COVID-19 economic environment. We are seeing elevated requests for borrower assistance and have put in place forbearance plans for our borrowers where needed over the phone and through our automated systems including our website. We applaud Ginnie Mae’s executive team for working tirelessly to develop and put in place this highly sophisticated structure that helps support the housing market by facilitating enhanced liquidity from the private markets. We are pleased to have worked in close partnership with Ginnie Mae for more than a year to complete this effort and believe that it demonstrates PennyMac’s continued strength and industry leadership.”

The new series of notes are secured by certain participation certificates relating to servicing advances made by PFSI’s indirect, wholly owned subsidiary, PennyMac Loan Services, LLC (PLS) on Ginnie Mae MSR. The servicing advances eligible for financing include advances made by PLS to support regularly scheduled monthly principal and interest to mortgage-backed securities holders, taxes, homeowner’s insurance, and other escrowed items and other expenses related to servicing delinquent loans. Eligible advances would be made for those purposes consistent with Ginnie Mae rules. The obligations of PLS are fully guaranteed by PFSI’s direct wholly owned subsidiary, Private National Mortgage Acceptance Company, LLC.

The new financing is an extension of the existing GMSR Issuer trust that PFSI put in place in December 2016 to finance Ginnie Mae MSR pursuant to a series of structured finance transactions. That trust was an important development in the evolution of PennyMac’s capital structure. With the new enhancement, PennyMac can now finance principal and interest, corporate and escrow advances associated with pooled Ginnie Mae loans.

### **About PennyMac Financial Services, Inc.**

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.

Founded in 2008, the company is recognized as a leader in the U.S. residential mortgage industry. In 2019, PennyMac Financial’s production of newly originated loans totaled \$118 billion in unpaid principal balance, making it the third largest mortgage lender in the nation, according to Inside Mortgage Finance. As of December 31, 2019, PennyMac Financial serviced 1.8 million loans totaling \$369 billion in unpaid principal balance, making it the sixth largest servicer of mortgage loans in the nation, according to Inside Mortgage Finance.

Additional information about PennyMac Financial Services, Inc. is available at [www.ir.pennymacfinancial.com](http://www.ir.pennymacfinancial.com).