

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): March 6, 2020

PennyMac Financial Services, Inc.

(formerly known as New PennyMac Financial Services, Inc.)

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-38727
(Commission
File Number)

83-1098934
(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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.0001 par value	PFSI	New York Stock Exchange

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.

On March 6, 2020, PennyMac Financial Services, Inc. (the “Company”), through two of its wholly owned subsidiaries, PennyMac Loan Services, LLC (“PLS”) and Private National Mortgage Acceptance Company, LLC (“PNMAC”), entered into an amendment (the “March Amendment”) to its Third Amended and Restated Master Repurchase Agreement, dated as of April 28, 2017, with Credit Suisse First Boston Mortgage Capital LLC (“CSFB”), acting as administrative agent for Credit Suisse AG, Cayman Islands Branch (“CSCIB”), as a buyer, and Alpine Securitization LTD (“Alpine”), as a buyer (the “CS Repurchase Agreement”). The CS Repurchase Agreement is committed to April 24, 2020.

The Company, through PLS, uses the CS Repurchase Agreement to sell, and later repurchase certain newly originated residential mortgage loans and recently acquired Ginnie Mae early buyout mortgage loans. The obligations of PLS under the CS Repurchase Agreement are fully guaranteed by PNMAC.

In addition to the CS Repurchase Agreement, CSFB, CSCIB and Alpine provide three other credit facilities to PLS: (i) a Master Repurchase Agreement, dated as of December 19, 2016, among CSFB, CSCIB, and PLS that is one of the related credit facilities that PLS uses to finance Ginnie Mae mortgage servicing rights (“the “VFN Repurchase Agreement”); (ii) a Master Repurchase Agreement, dated as of September 11, 2019, among CSFB, CSCIB, PLS and PNMAC that PLS uses to finance Fannie Mae mortgage servicing rights (the “MSR PC Agreement”), and (iii) a Loan and Security Agreement, dated as of February 1, 2018, among CSFB, CSCIB, PLS and PNMAC that PLS uses to finance Freddie Mac mortgage servicing rights (the “CS Loan Agreement”).

The purpose of the March Amendment is to (i) increase the maximum combined purchase price available to PLS under the CS Repurchase Agreement, the VFN Repurchase Agreement, the CS Loan Agreement, and the MSR PC Agreement from \$1.5 billion to \$2.0 billion; and (ii) increase the minimum adjusted tangible net worth required to be maintained at all times by PLS from \$500 million to \$1.25 billion. All other terms and conditions of the CS Repurchase Agreement, including the maximum combined committed purchase price of \$700 million, remain the same in all material respects.

The foregoing descriptions of the March Amendment, the CS Repurchase Agreement, the VFN Repurchase Agreement, the MSR PC Agreement, and the CS Loan Agreement do not purport to be complete and are qualified in their entirety by reference to the (i) the full text of the March Amendment attached hereto as Exhibit 10.1; (ii) the descriptions of the CS Repurchase Agreement and the related guaranty in the Company’s Current Report on Form 8-K as filed with the Securities and Exchange Commission (the “SEC”) on May 3, 2017, including the full text of such agreements attached thereto as Exhibit 10.1 and Exhibit 10.2, respectively; (iii) the descriptions of the VFN Repurchase Agreement and the related guaranty in the Company’s Current Report on Form 8-K as filed with the SEC on December 21, 2016, including the full text of such agreements attached thereto as Exhibit 10.3 and Exhibit 10.4, respectively; (iv) the full text of the MSR PC Agreement attached as Exhibit 10.11 to the Company’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2019 as filed with the SEC on November 4, 2019; (v) the description of the CS Loan Agreement in the Company’s Current Report on Form 8-K as filed with the SEC on February 7, 2018, including the full text of such agreement attached thereto as Exhibit 10.1; and (vi) the full text of all other amendments to the foregoing filed thereafter with the SEC.

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.

Exhibit No. Description

10.1	<u>Amendment No. 8 to the Third Amended and Restated Master Repurchase Agreement, dated as of March 6, 2020, among Credit Suisse First Boston Mortgage Capital LLC, Credit Suisse AG, Alpine Securitization LTD, PennyMac Loan Services, LLC and Private National Mortgage Acceptance Company, LLC.</u>
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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: March 11, 2020

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

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Section 2: EX-10.1 (EX-10.1)

PLS REGULAR FACILITY

**Exhibit 10.1
EXECUTION**

AMENDMENT NO. 8 TO THIRD AMENDED AND RESTATED MASTER REPURCHASE AGREEMENT

Amendment No. 8 to Third Amended and Restated Master Repurchase Agreement, dated as of March 6, 2020 (this “Amendment”), among Credit Suisse First Boston Mortgage Capital LLC (the “Administrative Agent”), Credit Suisse AG, a company incorporated in Switzerland, acting through its Cayman Islands Branch (a “Buyer”), Alpine Securitization LTD (a “Buyer”), PennyMac Loan Services, LLC (the “Seller”) and Private National Mortgage Acceptance Company, LLC (the “Guarantor”).

RECITALS

The Administrative Agent, the Buyers, the Seller and the Guarantor are parties to that certain Third Amended and Restated Master Repurchase Agreement, dated as of April 28, 2017 (as amended by Amendment No. 1, dated as of June 1, 2017, Amendment No. 2, dated as of December 20, 2017, Amendment No. 3, dated as of February 1, 2018, Amendment No. 4, dated as of April 27, 2018, Amendment No. 5, dated as of February 11, 2019, Amendment No. 6, dated as of April 26, 2019 and Amendment No. 7, dated as of September 11, 2019, the “Existing Repurchase Agreement”, and as amended by this Amendment, the “Repurchase Agreement”) and the related Second Amended and Restated Pricing Side Letter, dated as of April 28, 2017 (as amended, restated, supplemented or otherwise modified from time to time, the “Pricing Side Letter”). The Guarantor is party to that certain Amended and Restated Guaranty (as amended, restated, supplemented or otherwise modified from time to time, the “Guaranty”), dated as of April 28, 2017, by the Guarantor in favor of Administrative Agent. Capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Existing Repurchase Agreement and Guaranty, as applicable.

The Administrative Agent, the Buyers, the Seller and the Guarantor have agreed, subject to the terms and conditions of this Amendment, that the Existing Repurchase Agreement be amended to reflect certain agreed upon revisions to the terms of the Existing Repurchase Agreement. As a condition precedent to amending the Existing Repurchase Agreement, the Administrative Agent has required the Guarantor to ratify and affirm the Guaranty on the date hereof.

Accordingly, the Administrative Agent, the Buyers, the Seller and the Guarantor hereby agree, in

consideration of the mutual promises and mutual obligations set forth herein, that the Existing Repurchase Agreement is hereby amended as follows:

SECTION 1. Covenants. Section 14.dd of the Existing Repurchase Agreement is hereby amended by deleting subsection (1) in its entirety and replacing it with the following:

(1) Adjusted Tangible Net Worth. Seller shall maintain an Adjusted Tangible Net Worth of at least equal to \$1,250,000,000.

SECTION 2. Conditions Precedent. This Amendment shall become effective as of the date hereof (the "Amendment Effective Date"), subject to the satisfaction of the following conditions precedent:

2.1 Delivered Documents. On the Amendment Effective Date, the Administrative Agent on behalf of Buyers shall have received the following documents, each of which shall be satisfactory to the Administrative Agent in form and substance:

(a) this Amendment, executed and delivered by duly authorized officers of the Administrative Agent, the Buyers, the Seller and the Guarantor;

(b) Amendment No. 8 to Second Amended and Restated Pricing Side Letter, executed and delivered by duly authorized officers of the Administrative Agent, the Buyers, the Seller and the Guarantor; and

(c) such other documents as the Administrative Agent or counsel to the Administrative Agent may reasonably request.

SECTION 3. Representations and Warranties. Seller hereby represents and warrants to the Administrative Agent and Buyers that it is in compliance with all the terms and provisions set forth in the Repurchase Agreement on its part to be observed or performed, and that no Event of Default has occurred or is continuing, and hereby confirms and reaffirms the representations and warranties contained in Section 13 of Repurchase Agreement.

SECTION 4. Limited Effect. Except as expressly amended and modified by this Amendment, the Existing Repurchase Agreement shall continue to be, and shall remain, in full force and effect in accordance with its terms.

SECTION 5. Counterparts. This Amendment may be executed by each of the parties hereto on any number of separate counterparts, each of which shall be an original and all of which taken together shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page of this Amendment in Portable Document Format (PDF) or by facsimile shall be effective as delivery of a manually executed original counterpart of this Amendment.

SECTION 6. 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 7. GOVERNING LAW. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REFERENCE TO THE CHOICE OF LAW PROVISIONS THEREOF.

SECTION 8. Reaffirmation of Guaranty. The Guarantor hereby ratifies and affirms all of the terms, covenants, conditions and obligations of the Guaranty and acknowledges and agrees that the term "Obligations" as used in the Guaranty shall apply to all of the Obligations of the Seller to Administrative Agent and Buyers under the Repurchase Agreement and related Program Agreements, as amended hereby.

[Remainder of page intentionally left blank]



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

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

By: /s/ Margaret Dellafera

Name: Margaret Dellafera

Title: Vice President

**CREDIT SUISSE AG, CAYMAN ISLANDS
BRANCH**, as a Committed Buyer and as a Buyer

By: /s/Margaret Dellafera

Name: Margaret Dellafera

Title: Authorized Signatory

By: /s/ Kenneth Aiani

Name: Kenneth Aiani

Title: Authorized Signatory

ALPINE SECURITIZATION LTD, as a Buyer, by
Credit Suisse AG, New York Branch as Attorney-in-
Fact

By: /s/ Kenneth Aiani

Name: Kenneth Aiani

Title: Vice President

By: /s/ Elie Chau

Name: Elie Chau

Title: Vice President

PENNYMAC LOAN SERVICES, LLC, as Seller

By: /s/ Pamela Marsh

Name: Pamela Marsh

Title: Senior Managing Director and Treasurer

**PRIVATE NATIONAL MORTGAGE
ACCEPTANCE COMPANY, LLC, as Guarantor**

By: /s/ Pamela Marsh

Name: Pamela Marsh

Title: Senior Managing Director and Treasurer

Signature Page to Amendment No. 8 to Third Amended and Restated Master Repurchase Agreement

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