

PennyMac Mortgage Investment Trust
Form 8-K
June 18, 2013

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): **June 14, 2013**

PennyMac Mortgage Investment Trust

(Exact Name of Registrant as Specified in Charter)

Maryland
(State or Other Jurisdiction of
Incorporation or Organization)

001-34416
(Commission
File Number)

27-0186273
(I.R.S. Employer
Identification No.)

6101 Condor Drive, Moorpark, California
(Address of Principal Executive Offices)

93021
(Zip Code)

(818) 224-7442

(Registrant's telephone number, including area code)

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry into a Material Definitive Agreement.

On June 14, 2013, PennyMac Mortgage Investment Trust (PMT), through its wholly-owned subsidiary, PennyMac Corp. (PMC) and, together with PMT, the Company), entered into an agreement (the Letter Agreement) with Citigroup Global Markets Realty Corp. (Citi), pursuant to which the Company agreed to purchase from Citi certain non-performing residential mortgage loans and residential real property acquired in settlement of loans (collectively, the Assets). The Assets were acquired by Citi from a large money-center bank and certain of its affiliates (collectively, the Initial Seller).

Under the terms of the Letter Agreement, the Company will purchase the Assets at a purchase price based, in part, on a percentage of the unpaid principal balance of the mortgage loans or, as applicable, the mortgage loans at the time the real property was acquired in settlement thereof. The unpaid principal balance of each Asset was measured as of the cut-off date agreed to between Citi and the Initial Seller (the Cut-off Date), and the aggregate unpaid principal balance of the Assets as of the Cut-off Date was approximately \$257 million. Pending purchase by the Company, each Asset s purchase price will be reduced by any collections of principal and interest on such Asset after the Cut-off Date and prior to the related purchase date. The Assets will be subserviced for the Company by PennyMac Loan Services, LLC from and after July 15, 2013 and interim serviced by the Initial Seller or its designee prior thereto.

On the purchase date for any Asset, in addition to the payment of the purchase price, the Company will reimburse Citi for certain out-of-pocket costs and other expenses, including servicing fees and servicing advances, and a cost of carry for such Asset.

Any Asset that liquidates prior to its purchase by the Company will be settled between the Company and Citi in the month following liquidation or such other timeframe following liquidation, as mutually agreed upon by the Company and Citi, in an amount based on the difference between the liquidation proceeds and the sum of the purchase price and reimbursement amounts that would have applied to such Asset had it been purchased on the liquidation date.

The Letter Agreement requires that the Company purchase the Assets on or before June 16, 2014. In the event that the Company fails to purchase any Assets on or before such date, the Letter Agreement provides for a net settlement between the Company and Citi, in an amount based on the difference between the fair market value of such Assets on the date of determination and the sum of the purchase price and reimbursement amounts that would have applied to such Assets had they been purchased on such date.

The Letter Agreement also contains various representations, warranties and covenants, repurchase and indemnity obligations, and other terms and conditions customary for this type of transaction.

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 report is incorporated herein by reference.

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 MORTGAGE INVESTMENT TRUST

Dated: June 18, 2013

/s/ Vanda Fartaj
Vanda Fartaj
Chief Investment Officer