

RefiNow

Program Codes: FNC RN -30, -20, -15, -10

AGENCY LOW INCOME REFINANCE ELIGIBILITY MATRIX

Standard Conforming Fixed Rate Mortgages					
Occupancy	Construction	Units	LTV / CLTV / HCLTV	Credit Score	Max DTI
Primary Residence	Site Build (SFR / PUD / Condo)	1	97%	620	65%

1. Only a loan currently owned by Fannie Mae is eligible for RefiNow and must be underwritten using DU/DO.
2. 105% CLTV/HCLTV permitted when resubordinating a Community Second/Affordable Second.
3. High-balance loans are not permitted

BORROWER ELIGIBILITY REQUIREMENTS

Borrower Income Limit	<p>The borrower(s) income must be at or equal to 100% of the applicable Area Median Income (AMI) limit for the subject property's location.</p> <ul style="list-style-type: none"> ▪ In determining whether a loan is eligible under the borrower income limits, the lender must consider the income from all borrowers who will sign the note, to the extent that the income is considered in evaluating creditworthiness for the new loan. ▪ The lender must use the same methodology in determining income eligibility for a RefiNow loan as they use in reporting "Monthly Income" in Loan Delivery. <p>Visit link below to see Area Median Income (AMI) limit for the subject property's location https://singlefamily.fanniemae.com/media/8326/display</p>
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REQUIREMENTS FOR THE EXISTING LOAN BEING REFINANCED

Existing Loan Eligibility	<table border="1"> <thead> <tr> <th>✓</th> <th>The existing loan must...</th> </tr> </thead> <tbody> <tr> <td></td> <td>be a conventional mortgage loan owned or securitized by Fannie Mae. Visit link below to determine if Fannie Mae owns subject property mortgage https://www.knowyouroptions.com/loanlookup</td> </tr> <tr> <td></td> <td>be seasoned at least 12 months (from the original note date to new loan note date).</td> </tr> <tr> <td></td> <td>not be subject to recourse, repurchase agreement, indemnification, outstanding repurchase demand, or credit enhancement (unless the new loan is also subject to the credit enhancement or it is no longer required.)</td> </tr> <tr> <td></td> <td>not be an existing high LTV refinance loan, DU Refi Plus® loan, or Refi Plus® loan.</td> </tr> </tbody> </table>	✓	The existing loan must...		be a conventional mortgage loan owned or securitized by Fannie Mae. Visit link below to determine if Fannie Mae owns subject property mortgage https://www.knowyouroptions.com/loanlookup		be seasoned at least 12 months (from the original note date to new loan note date).		not be subject to recourse, repurchase agreement, indemnification, outstanding repurchase demand, or credit enhancement (unless the new loan is also subject to the credit enhancement or it is no longer required.)		not be an existing high LTV refinance loan, DU Refi Plus® loan, or Refi Plus® loan.
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COLLATERAL REQUIREMENTS

Property valuation	<ul style="list-style-type: none"> ▪ Standard property valuation requirements for an appraisal waiver or appraisal apply. ▪ A \$500 credit will be provided to the lender at the time the loan is purchased if an appraisal was obtained for the transaction. The lender must pass the credit to the borrower. <p>NOTE : <i>The appraisal credit will be applied based on the delivery of Special Feature Code (SFC) 868 and data in the Loan Delivery file that indicates an appraisal was obtained for the transaction</i></p>
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UNDERWRITING AND DOCUMENTATION REQUIREMENTS FOR THE NEW LOAN

Minimum Credit Score and Significant Derogatory Credit	<ul style="list-style-type: none"> The loan must have a minimum representative credit score of 620. (The average median credit score policy does not apply) the borrower must comply with all applicable waiting periods following derogatory credit events in B3-5.3-07, Significant Derogatory Credit Events - Waiting Periods and Re-establishing Credit. (Exception: The LTV ratio limitation that applies to a previous foreclosure is not applicable - standard LTV ratios are permitted.) 														
Payment History Requirements	<p>For the loan being refinanced, the borrower cannot have had</p> <ul style="list-style-type: none"> any 30-day mortgage delinquencies in the most recent six-month period, and no more than one 30-day delinquency in months 7 through 12. <p>If the borrower has missed payments due to a COVID-19 forbearance, and those payments have been resolved in accordance with the temporary eligibility requirements for purchase and refinance transactions in LL-2021-03, then the missed payments are not considered delinquencies for purposes of meeting these payment history requirements. This will apply for as long as the temporary policies remain in effect.</p>														
Max DTI Ratio	The DTI ratio must be less than or equal to 65%.														
Non-occupant Borrowers	<ul style="list-style-type: none"> Non-occupant borrowers are permitted. A max LTV, CLTV, and HCLTV ratio of 95% applies to loans underwritten with DU (CLTV ratio may be up to 105% when a Community Seconds® is being resubordinated). 														
Documentation requirements	<p>The following table describes the income documentation requirements.</p> <table border="1" data-bbox="456 789 1544 1413"> <thead> <tr> <th data-bbox="456 789 764 825">Income type</th> <th data-bbox="764 789 1544 825">Minimum documentation requirements</th> </tr> </thead> <tbody> <tr> <td data-bbox="456 825 764 940">Base Pay (non-variable)</td> <td data-bbox="764 825 1544 940">The borrower's year-to-date paystub dated no earlier than 30 days prior to the loan application date. See <i>Selling Guide</i> B3-3.1-02, Standards for Employment Documentation.</td> </tr> <tr> <td data-bbox="456 940 764 1087">Base Pay (variable) Tip, Bonus, Overtime Income Commission Income</td> <td data-bbox="764 940 1544 1087">The borrower's year-to-date paystub and W2 covering the most recent one-year period. See also B3-3.1.02.</td> </tr> <tr> <td data-bbox="456 1087 764 1123">Military Income</td> <td data-bbox="764 1087 1544 1123">Military Leave and Earnings Statement</td> </tr> <tr> <td data-bbox="456 1123 764 1234">Self-employment</td> <td data-bbox="764 1123 1544 1234">One year personal and business tax returns, unless the terms to waive business tax returns are met in accordance with the <i>Selling Guide</i></td> </tr> <tr> <td data-bbox="456 1234 764 1339">Alimony, Child Support, or Separate Maintenance</td> <td data-bbox="764 1234 1544 1339">Copy of divorce decree, separation agreement, court order or equivalent documentation, and one month documentation of receipt</td> </tr> <tr> <td data-bbox="456 1339 764 1413">All Other Eligible Income Types</td> <td data-bbox="764 1339 1544 1413">Standard <i>Selling Guide</i> requirements apply</td> </tr> </tbody> </table> <p>The following additional documentation requirements apply:</p> <ul style="list-style-type: none"> Verbal verification of employment (employment or self-employment) is required in accordance with the <i>Selling Guide</i>. Verification of funds to close are required. Acceptable asset documentation includes one recent statement (monthly, quarterly, or annual) showing asset balance. Verification and consideration of recurring alimony and child support payments as a liability, if applicable, are required. Acceptable documentation includes a copy of the divorce decree, separation agreement, court order, or equivalent documentation confirming the amount of the obligation. 	Income type	Minimum documentation requirements	Base Pay (non-variable)	The borrower's year-to-date paystub dated no earlier than 30 days prior to the loan application date. See <i>Selling Guide</i> B3-3.1-02 , Standards for Employment Documentation.	Base Pay (variable) Tip, Bonus, Overtime Income Commission Income	The borrower's year-to-date paystub and W2 covering the most recent one-year period. See also B3-3.1.02 .	Military Income	Military Leave and Earnings Statement	Self-employment	One year personal and business tax returns, unless the terms to waive business tax returns are met in accordance with the <i>Selling Guide</i>	Alimony, Child Support, or Separate Maintenance	Copy of divorce decree, separation agreement, court order or equivalent documentation, and one month documentation of receipt	All Other Eligible Income Types	Standard <i>Selling Guide</i> requirements apply
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MORTGAGE INSURANCE

Mortgage Insurance	All standard mortgage insurance requirements apply in accordance with the <i>Selling Guide</i> . Mortgage insurance coverage for RefiNow loans is not restricted to the current mortgage insurer on the existing loan. However, DU will identify the insurer that is currently providing coverage. Consult your mortgage insurer to determine their eligibility guidelines for RefiNow loans.
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REQUIREMENTS FOR THE NEW LOAN

New Loan Eligibility	√	the new RefiNow loan must...
		be a fixed-rate loan.
		have max LTV 97%
		be a limited cash-out refinance with case out less than or equal to \$250. Excess proceeds may be applied as a curtailment on the new loan.
		have a loan limit that conforms to the general loan limits (high-balance loans are not permitted) .
		have identical borrowers on the new loan as the existing loan. New borrowers cannot be added or removed. One or more borrowers may only be removed if: <ul style="list-style-type: none"> ▪ the remaining borrower(s) meet the payment history requirements and provides evidence that they have made at least the last 12 months of payments from their own funds, and ▪ due to the death of a borrower (evidence of the deceased borrower's death must be documented in the loan file). <p>Note: Non-occupant borrowers are permitted (see below).</p>
		not be subject to a temporary interest rate buydown.
Note: A RefiNow loan may not be combined with a HomeReady® refinance transaction.		
Borrower Benefit	<p>The refinance loan must provide the following benefits to the borrower:</p> <ul style="list-style-type: none"> ▪ a reduction in interest rate of at least 50 basis points, and ▪ a reduction in the monthly payment that includes principal, interest, and the mortgage insurance payment (if applicable). 	
Eligible Subordinate Financing	<ul style="list-style-type: none"> ▪ Existing subordinate financing <ul style="list-style-type: none"> - may not be satisfied with the proceeds of the new loan, and - can remain in place if it is resubordinated to the new loan. - may be simultaneously refinanced with the existing first lien mortgage, provided that: <ul style="list-style-type: none"> ▫ the unpaid principal balance (UPB) of the new subordinate lien is not more than the UPB of the subordinate lien being refinanced at the time of payoff, and ▫ there is no increase in the monthly principal and interest payment on the subordinate lien. ▪ New subordinate financing is only permitted if it replaces existing subordinate financing. 	
Occupancy and Property Types	<ul style="list-style-type: none"> ▪ The new loan must be secured by a one-unit principal residence. ▪ All eligible property types are permitted. ▪ All project review requirements will be waived for properties located in a condo, co-op or PUD project except that the lender must confirm the project is not a condo or co-op hotel or motel, houseboat, timeshare or segmented ownership project. The lender must confirm appropriate property and flood insurance is obtained. 	
State Restrictions	FL Condo: Upto 7 Stories. No High Rise Condo (8+)	