

Fannie Mae RefiNow

Wholesale Program Codes: RN (DU) -30, -20, -15, -10
Correspondent Program Codes: C-RN (DU) -30, -20, -15, -10

Loan Amount	Max LTV/CLTV
832,750	97%

- Loan must be underwritten using DU/DO
- Max CLTV/HCLTV 105% permitted when resubordinating a Community Second/Affordable Second

General Requirements

Occupancy	<ul style="list-style-type: none"> ▪ Primary
Product Type	<ul style="list-style-type: none"> ▪ Conforming: 30-Yr Fixed, 20-Yr Fixed, 15-Yr Fixed, 10-Yr Fixed ▪ High-Balance: Not permitted
Loan Purpose	<ul style="list-style-type: none"> ▪ Rate/Term
Property Type	<ul style="list-style-type: none"> ▪ Single Family ▪ Condo ▪ PUD
State Restrictions	<ul style="list-style-type: none"> ▪ FL Condo: Up to 7 stories. No High Rise Condo (8+)

General Underwriting Guidelines

Min FICO	<ul style="list-style-type: none"> ▪ Min 620
DTI	<ul style="list-style-type: none"> ▪ Max 65%
Loan Purpose	<ul style="list-style-type: none"> ▪ Rate & Term / Limited Cash-out Refinance
Existing Loan Eligibility	<ul style="list-style-type: none"> ▪ The existing loan must: <ul style="list-style-type: none"> ○ 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.knowyouoptions.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.

Borrower Eligibility	<ul style="list-style-type: none"> ▪ Borrower Income Limit <ul style="list-style-type: none"> ○ 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 <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. ▪ Visit link below to see Area Median Income (AMI) limit for the subject property's location https://singlefamily.fanniemae.com/media/8326/display
Collateral Requirements	<ul style="list-style-type: none"> ▪ 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. ▪ Note: 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
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	<ul style="list-style-type: none"> ▪ For the loan being refinanced, the borrower cannot have had <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. ▪ 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.

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	<ul style="list-style-type: none"> ▪ Income Type <ul style="list-style-type: none"> ○ Min documentation requirements ▪ Base Pay (Non-Variable) <ul style="list-style-type: none"> ○ The borrower's year-to-date paystub dated no earlier than 30 days prior to the loan application date. See Selling Guide <u>B3-3.1-02</u>, Standards for Employment Documentation. ▪ Base Pay (Variable): Tip, Bonus, Overtime Income Commission Income <ul style="list-style-type: none"> ○ The borrower's year-to-date paystub and W2 covering the most recent one-year period. See also <u>B3-3.1.02</u>. ▪ Military Income <ul style="list-style-type: none"> ○ Military Leave and Earnings Statement ▪ Self-Employment <ul style="list-style-type: none"> ○ One year personal and business tax returns, unless the terms to waive business tax returns are met in accordance with the Selling Guide ▪ Alimony, Child Support, or Separate Maintenance <ul style="list-style-type: none"> ○ Copy of divorce decree, separation agreement, court order or equivalent documentation, and one month documentation of receipt ▪ All Other Eligible Income Types <ul style="list-style-type: none"> ○ Standard Selling Guide requirements apply ▪ The Following additional documentation requirements apply: <ul style="list-style-type: none"> ○ Verbal verification of employment (employment or self-employment) is required in accordance with the Selling Guide. ○ 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.
Mortgage Insurance	<ul style="list-style-type: none"> ▪ All standard mortgage insurance requirements apply in accordance with the Selling Guide. 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.

New Loan Eligibility	<ul style="list-style-type: none"> ▪ The new RefiNow loan must: <ul style="list-style-type: none"> ○ 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). ▪ Note: Non-occupant borrowers are permitted (see below) ○ Not be subject to a temporary interest rate buydown. ▪ Note: A RefiNow loan may not be combined with a HomeReady® refinance transaction.
Borrower Benefit	<ul style="list-style-type: none"> ▪ The refinance loan must provide the following benefits to the borrower: <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.
Max Loan Limits	<ul style="list-style-type: none"> ▪ Click to see full county loan limits