# FANNIE MAE REFINOW / FREDDIE MAC REFI POSSIBLE

| PRIMARY RESIDENCE – RATE/TERM LOW INCOME REFINANCE | | | |
|---|---|---|---|
| Property Type | Max. LTV | Max. CLTV/HCLTV | Min. Credit Score |
| 1 Unit | 97%* | 105%/105%** | 620 |

** LTV/CLTV/HCLTV is limited to 95% ① if there is non-occupant borrower

** CLTV ratio may be up to 105% when a Community Seconds® is being resubordinated

** Manufactured Homes are Ineligible

| | | Fannie Mae DU RefiNow | Freddie Mac LP Refi Possible |
|---|---|---|---|
| New Loan Eligibility | Transaction | • Limited cash out refinance only | |
| | Occupancy | • Primary home only | |
| | Amortization | • FRM(Fixed Rate) only, 10/15/20/30 YEARS | |
| | Max. Loan | • $766,550 (high-balance loans are not permitted) | |
| | Max. LTV/CLTV | • 97%/105% | |
| | Max DTI | • **65%** | |
| | Net tangible benefit | • Reduction of interest rate of at least **50 basis point (0.5%)**, **AND**<br>• Reduction in the monthly payments (total of first mortgage principal, interest, mortgage insurance) | |
| | Acceptable Uses | • paying off the unpaid principal balance of the existing first mortgage<br>• Limited cash out refinance with financed closing costs and net proceeds **less than or equal to $250**. Excess proceeds may be applied as a curtailment on the new loan<br>• Temporary Interest Rate buydown is not permitted | |
| | Program | • The Refinance may not be combined with other programs such as:<br>① Fannie Mae HomeReady<br>② Fannie Mae HomeStyle<br>③ Freddie Mac Home Possible<br>④ Texas Section 50(a)(6) loan | |

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| Existing Loan Eligibility | Agency ownership | • Must be owned by Fannie Mae<br>Fannie Mae's Loan Lookup Tool | • Must be owned by Freddie Mac<br>Freddie Mac's Loan Lookup Tool |
| | Seasoning requirement | • Must be seasoned over 12 months<br>(from the original note date to new loan note date) | |
| | Ineligible securities | • Must 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) | |
| | Program | • Must be conventional loan<br>• Must not have been originated using any special programs such as:<br>① Fannie Mae RefiNow<br>② Fannie Mae High LTV Refinance<br>③ Fannie Mae DU Refi Plus® / Refi Plus®<br>④ Freddie Mac Refi Possible<br>⑤ Freddie Mac Relief Refinance®<br>⑥ Freddie Mac Enhanced Relief Refi® | |
| | Current Mortgage | Mortgage payment must be current. 'Current' means the borrower has made all mortgage payments due in the month prior to the note date of the new loan by no later than the last business day of that month. | |

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| Max. Income | | • 100% of AMI: The borrower(s) income must be less than or equal to 100% of the applicable AMI limit for the subject property's location.<br>Fannie Mae's Area Median Income Lookup Tool  Freddie Mac's Area Median Income Lookup Tool | |
| Property Eligibility | | • All eligible property types are permitted except condo or co-op hotel or motel, houseboat, time-shared or segmented ownership project. | |
| Borrower Eligibility | Min. credit score | • Representative score of 620 | |
| | Payment history | • No 30-day mortgage delinquencies in most recent 6 months, and<br>• No more than one 30 day delinquency in 7 - 12 months<br>Exception: Payments missed during the time of a COVID-19-related forbearance that have been resolved is not considered to be historical delinquencies, but missed payments during a forbearance cannot be refinanced into the new loan amount | |
| | Identical borrowers | • 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:<br>- 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, or<br>- Due to the death of a borrower (evidence of the deceased borrower's death must be documented in the loan file) | |
| Min. Income documentation | | • Base Pay (non-variable) | Most recent Paystub |
| | | • Base Pay (variable) | Most recent Paystub, Most recent W-2 |
| | | • Military | Military Leave and Earnings Statement |
| | | • Self-employment | Most recent 1 year tax return |
| | | • Alimony/Child Support/ Separate Maintenance | Divorce decree/separation agreement/ court order/etc. and 1 month of receipt |
| Min. Asset Documentation | | • Most recent 1-month bank statement (if required fund is greater than $500) | |
| Non-Occupying Borrower | | • Non-Occupant borrowers are permitted with max. LTV of 95% and CLTV of 105% | |
| Collateral Valuation | | • $500 lender credit is granted if property inspection waiver is not eligible | |
| Pricing | | • Standard LLPAs (no caps applied)<br>• AMRF of 50 bps(0.5%) waived for UPB less than or equal to $300,000 | |
| Mortgage Insurance | | • Standard MI requirements and coverage levels | |
| Eligible subordinate financing | | • Existing subordinate financing<br>① may not be satisfied with the proceeds of the new loan,<br>② can remain in place if it is resubordinated to the new loan, **AND**<br>③ may be simultaneously refinanced with the existing first lien mortgage if<br>(1) 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.<br>(2) there is no increase in the monthly principal and interest payment on the subordinate lien.<br>• New subordinate financing is only permitted if it replaces existing subordinate financing. | |