

Bulletin 21-65

Enhancements to the Fannie Mae RefiNow Program

Fannie Mae [Lender Letter 2021-10](#) issued October 20, 2021, announced enhancements to the RefiNow program. Enhancements detailed below.

The effective dates of these enhancements vary; Brokers should pay careful attention to the effective dates outlined below for each enhancement.

Borrower Benefit

- The requirement that the borrower's payment be reduced by a minimum of \$50 **has been removed**. **Any reduction** to the monthly principal, interest, and mortgage insurance (if applicable) payment is now acceptable

NOTE: There is **no change** to the requirement that the interest rate be reduced by a minimum of 50 basis points

- **Effective Date:** This update **is effective immediately**. The loan must receive an Approve/Eligible finding

Removal of the Financing Closing Costs Cap

- The \$5,000 cap on the financing of closing costs, prepaid items and points has been **removed**; there is **no longer** a cap to the amount of costs that may be financed
- **Effective Date:** This update **is effective immediately**. The loan must receive an Approve/Eligible finding

Increase to Borrower's Income Eligibility

- The borrower's income must be at or below 100% of the AMI limit for the subject property location (previously at or below 80%)
- **Effective Date:** Eligible for casefiles submitted or resubmitted to DU **on or after the weekend of December 4, 2021**

Elimination of the Maximum Seasoning Requirement

- The requirement that the loan be seasoned no more than 120 months (10 years) has been **removed**

NOTE: There is **no change** to the requirement the loan being refinanced seasoned a minimum of 12 months (measured from original Note date to the Note date of the new loan)

- **Effective Date:** Eligible for casefiles submitted or resubmitted to DU **on or after the weekend of December 4, 2021**

The RefiNow guidelines have been updated with the enhancements that are effective immediately and posted on the Homebridge website at www.HomebridgeWholesale.com.

If you have any questions, please contact your Account Executive