

## Fannie Mae RefiNow Conforming Loan Amounts Only

Fixed Rate

Primary Residence Limited Cash-Out (Rate/Term) Refinance			
Property Type	LTV/CLTV	Loan Amount	Credit Score <sup>3</sup>
1-unit SFR/PUD/Condo	97% <sup>1,2</sup>	Conforming	No minimum
Manufactured Home	95% <sup>1,2</sup>	Conforming	No minimum

**Footnotes:**

1. Transactions with a non-occupant co-borrower are limited to maximum 95% LTV/CLTV
2. CLTV up to 105% allowed when a Community Second is being resubordinated
3. No minimum credit score required, however each borrower must have a credit score

### Overview

- Fannie Mae's RefiNow is a refinance option designed for low-income borrowers by offering expanded eligibility to benefit borrowers at or below 100% of the area median income (AMI) limit.
- NOTE:** Fannie Mae AMI data (both in DU or posted on the Fannie Mae website) may differ from the AMI estimates posted on HUDs website so it is important to utilize [Fannie Mae AMI](#) data
- DU will identify transactions that are eligible for RefiNow as follows:
  - When a 1-unit primary residence limited cash-out is underwritten in DU and the total income on the loan casefile is at or below 100% of the AMI, DU determines if Fannie Mae owns the loan, using the subject property address provided on the loan application
  - Additionally once a property has been identified by DU, DU will then confirm the social security number(s) (SSN) on the new loan casefile matches those on the existing loan. The result of the SSN match will be specified in the DU message
  - When there is an SSN match, DU will underwrite the loan as RefiNow
  - When SSN discrepancies occur, the Underwriter will follow DU messaging requirements
- If an appraisal is required, Fannie Mae will provide a \$500 credit which must be passed on to the borrower
- Fannie Mae will waive the Adverse Market Fee for loans with an original principal amount of ≤ \$300,000

### General Requirements

- The loan being refinanced must currently be owned by Fannie Mae
- The borrower's **qualifying** income (income from all borrowers **who will sign the Note**) must be ≤ 100% of the 2021 AMI limit for the area where the property is located. If the borrower has other income that is **not** used for qualifying, that other income is **not** included when determining if AMI requirement has been met
- The refinanced loan must provide the following borrower benefits:
  - A reduction in the interest rate of at least 50 basis points, **AND**
  - A reduction in the borrower's monthly payment, that includes the principal, interest, and mortgage insurance payment (if applicable)
- All borrowers on the loan being refinanced **must be on the new loan** (see the [Borrower Eligibility](#) topic for exception); borrowers **cannot** be added to the new loan

To determine if Fannie Mae owns a loan click the link below and enter the requested information:

[Fannie Mae Know Your Options](#)

## Fannie Mae RefiNow Option

Topic	Guideline
4506-C	<ul style="list-style-type: none"> <li>Signed 4506-C required prior to loan closing for both personal and business tax returns (if applicable)</li> <li>Tax transcripts are <b>not</b> required</li> </ul> <p style="text-align: center;">NOTE: At underwriter discretion transcripts may be required in certain circumstances (e.g. handwritten paystubs, borrower employed by family member, etc.)</p> <ul style="list-style-type: none"> <li>Homebridge will order transcripts at random for quality control purposes</li> </ul>
Age of Documents	<p style="text-align: center;"><b><u>The temporary policies below are effective until further notice</u></b></p> <ul style="list-style-type: none"> <li>All income and asset documentation must be dated no more than 60 days prior to the Note date except for below: <ul style="list-style-type: none"> <li>Asset accounts that receive a quarterly statement, the most recently issued quarterly statement is acceptable</li> <li>Military income identified on a Leave and Earnings Statement,</li> <li>Retirement, SSI, survivor and dependent benefit, long-term disability, and foster-care income</li> <li>Royalty payments</li> </ul> </li> </ul>
Appraisal	<ul style="list-style-type: none"> <li>DU determines the appraisal requirement. If an appraisal waiver is offered by DU, it must be on the final DU finding</li> <li>A minimum of 3 closed comparable sales are required. The source of the closed comparable sales used in the appraisal must be from one of the following or a desk review will be required: <ul style="list-style-type: none"> <li>A Multiple Listing Service (<a href="http://MLS.com">MLS.com</a>), or</li> <li>MRIS (<a href="http://www.mris.com">www.mris.com</a>), or</li> <li>Midwest Real Estate Dated (MRED) (<a href="http://www.mredllc.com">www.mredllc.com</a>), or</li> <li>North Texas Real Estate Information Systems, Inc. (NTREIS) at (<a href="http://www.ntreis.net">www.ntreis.net</a>), or</li> <li>San Antonio Board of Realtors (<a href="http://www.sabor.com">www.sabor.com</a>), or</li> <li>GeoData at <a href="http://www.geodataplus.com">www.geodataplus.com</a> , or</li> <li>Comps Inc. at <a href="http://www.compsny.com">www.compsny.com</a>.</li> </ul> </li> </ul> <p style="text-align: center;">NOTE: Comparables from a public independent source are only eligible in the states of Maine, New Hampshire, and Vermont</p> <ul style="list-style-type: none"> <li>If an appraisal is required, Fannie Mae will provide a \$500 credit which must be passed on to the borrower</li> </ul>
Appraisal Management Companies (AMC)	<p>Appraisals must be ordered from the AMC assigned by Homebridge by region/territory as follows:</p> <ul style="list-style-type: none"> <li>Colorado, New Mexico, Oklahoma, and Texas: <a href="#">Nationwide Property &amp; Appraisal Services</a></li> <li>Northeast: <a href="#">Fastapp Appraisal Management</a></li> <li>Midwest: <a href="#">Nationwide Property &amp; Appraisal Services</a></li> <li>New England: <a href="#">Nadlan Valuation</a></li> <li>Northwest/Southwest/Central: <a href="#">Axis Management Solutions</a></li> <li>Southeast: <a href="#">Nationwide Appraisal Network</a></li> <li>West: <a href="#">Golden State AMC</a></li> </ul> <p>Brokers assigned to the Homebridge Inside Sales team are required to order appraisals as follows:</p> <ul style="list-style-type: none"> <li>Inside Sales Team – East: <a href="#">Nationwide Property &amp; Appraisal Services</a></li> <li>Inside Sales Team – West: <a href="#">Golden State AMC</a></li> </ul> <p>To view a map of the territories, broken down by state, click here <a href="#">Homebridge Wholesale</a></p>
Assets	Verification of funds to close required. Acceptable documentation includes one recent account statement showing asset balance (monthly, quarterly, or annual statement, as applicable)
AUS	DU “Approve/Eligible” Finding required. Manual underwrite is <b>not</b> eligible
Available Markets	<ul style="list-style-type: none"> <li>All 50 states</li> <li>Guam, Puerto Rico and the Virgin Islands are ineligible</li> </ul>

## Fannie Mae RefiNow Option

<b>Borrower Benefit</b>	<ul style="list-style-type: none"> <li>The refinanced loan must provide the following benefits to the borrower: <ul style="list-style-type: none"> <li>A reduction in the interest rate of at least 50 basis points, <b>and</b></li> <li>A reduction in the borrower's monthly payment that includes the principal, interest, and mortgage insurance payment (if applicable)</li> </ul> </li> </ul>
<b>Borrower Eligibility</b>	<ul style="list-style-type: none"> <li><b>All borrowers on the current loan must be on the new loan</b> <ul style="list-style-type: none"> <li>Borrower(s) <b>cannot be removed</b> (see exception below), <b>and</b></li> <li>New borrower(s) <b>cannot</b> be added</li> </ul> </li> <li><b>Exception:</b> One or more borrowers may be removed <b>only if one of the following applies:</b> <ul style="list-style-type: none"> <li>The remaining borrower(s) meet the payment history requirements (detailed in the Mortgage History topic) and can provide evidence that they have made the mortgage payments from their own funds for at least the previous 12 months, <b>OR</b></li> <li>The borrower being removed is deceased and evidence documenting the borrower's death is provided (e.g. death certificate) and it is documented in the loan file.</li> </ul> </li> <li>Borrowers previously convicted of mortgage fraud are <b>ineligible</b>.</li> <li>Non-occupant co-borrowers are acceptable provided they are on the current loan</li> </ul>
<b>Cash Back to Borrower</b>	Maximum cash back to borrower is \$250.00. Any funds in excess of \$250 must be applied as a principal reduction
<b>Credit Report</b>	<ul style="list-style-type: none"> <li>Homebridge will accept a credit report, in the broker's name, from any Fannie Mae acceptable credit vendor. The credit report <b>must contain trended credit data</b>.</li> <li>A tri-merged credit report is required for all borrowers.</li> <li>The borrower(s) must address <b>all</b> credit inquiries indicated on the credit report within the previous 90 days, <b>specifically stating the name of the creditor(s)</b> and the result of the inquiry/inquiries (i.e. was new credit obtained or not). <b>Examples of acceptable/unacceptable responses below:</b> <ul style="list-style-type: none"> <li><b>Acceptable Response:</b> "The inquiry/inquiries by Bank of America, Wells Fargo, etc. did not result in additional credit"</li> <li><b>Unacceptable Response:</b> "We did not obtain any additional credit as a result of the credit inquiry/inquiries listed on our credit report" (unacceptable since name of creditors <b>not</b> listed)</li> </ul> </li> </ul>
<b>Credit Scores</b>	<p>Minimum credit score <b>not</b> required, however each borrower must have a credit score which must be documented</p> <p><b>NOTE:</b> DU uses the average median credit score when determining eligibility</p>
<b>Derogatory Credit Events</b>	<p>Standard Fannie Mae derogatory credit requirements and waiting periods apply</p> <p><b>Exception:</b> The LTV limitation that applies to prior foreclosures is <b>not</b> applicable</p>
<b>DTI</b>	Maximum 65%
<b>Escrow/Impound Account</b>	<ul style="list-style-type: none"> <li>&gt; 80% LTV required unless prohibited by state law: CA loans ≥ 90% LTV</li> <li>≤ 80% LTV not required; refer to HB rate sheet for pricing adjustment</li> </ul> <p><b>Reminder:</b> If flood insurance is required, escrow/impounds are required regardless of LTV; escrows cannot be waived</p>
<b>Existing Loan Requirements</b>	<p>The existing loan must:</p> <ul style="list-style-type: none"> <li>Currently be owned by Fannie Mae, <b>and</b></li> <li>Be seasoned a minimum of 12 months measured from the original Note date to the Note date of the new loan, <b>and</b></li> <li>Not be subject to recourse, repurchase agreement or outstanding repurchase demand, indemnification, or credit enhancement, <b>and</b></li> <li>Not be an existing DU Refi Plus or Refi Plus loan or High LTV Refinance loan</li> </ul>
<b>Income Limit</b>	<ul style="list-style-type: none"> <li>The borrower's <b>qualifying</b> income (income from all borrowers <b>who will sign the Note</b>) must be ≤ 100% of the 2021 AMI limit for the area where the property is located.</li> <li>If the borrower has other income that is <b>not</b> used for qualifying, that other income is <b>not</b> included when determining if AMI requirement has been met</li> </ul>

## Fannie Mae RefiNow Option

<b>Income Documentation</b>	Income documentation requirements:	
	<b>Income Type</b>	<b>Minimum Documentation Requirements</b>
	<b>Base Pay (non-variable)</b>	Borrower(s) most recent paystub, with YTD income, dated no earlier than 30 days prior to the loan application date
	<b>Base Pay (variable): Tip, Bonus, OT, Commission</b>	Borrower's most recent paystub and W-2 covering the most recent one-year period
	<b>Military</b>	Leave and Earnings Statement
	<b>Self-Employment</b>	One-year personal and business tax returns, unless the terms to waive business tax returns are met as detailed in the standard Fannie Mae guidelines
	<b>Alimony, Child Support, Separate Maintenance</b>	<ul style="list-style-type: none"> <li>• Copy of divorce decree, separation agreement, court order or equivalent documentation, <b>and</b></li> <li>• Documentation of one-month's receipt</li> </ul>
	<b>All Other Eligible Income Types</b>	Standard Fannie Mae requirements apply
<b>Liabilities</b>	<p>Recurring alimony and/or child support payments (if applicable) must be considered, and the amount of payment and duration verified. Acceptable documentation includes a copy of:</p> <ul style="list-style-type: none"> <li>• The divorce decree or separation agreement,</li> <li>• The court order, or</li> <li>• Equivalent documentation confirming the amount of the obligation</li> </ul>	
<b>LDP/GSA and Mortgage Fraud</b>	<ul style="list-style-type: none"> <li>• <b>LDP / GSA</b> <a href="#">LDP / GSA</a> All of the following parties to the transaction, as applicable, must be checked against HUD's Limited Denial of Participation list and the General Service Administration's Excluded Parties List System. <ul style="list-style-type: none"> <li>- Borrower(s) and Borrower(s) AKA name (if applicable)</li> <li>- Seller(s),</li> <li>- Real Estate Listing and Selling Agent(s),</li> <li>- Appraiser,</li> <li>- Appraisal Company (<b>not</b> the AMC)</li> <li>- Broker</li> <li>- Loan Officer, Loan Officer Assistant</li> <li>- Loan Processor,</li> <li>- Underwriter,</li> <li>- Closing/Settlement Agent,</li> <li>- Title/Settlement Company, and</li> <li>- 203(k) Consultant</li> </ul> </li> <li>• Any transaction where any of the interested parties to the transaction have been convicted of mortgage fraud will require review and approval by Homebridge management.</li> </ul>	
<b>Mortgage Insurance</b>	<ul style="list-style-type: none"> <li>• Standard mortgage insurance policies apply; refer to the Mortgage Insurance topic in the <a href="#">Homebridge Fannie Mae Conforming and High Balance</a> guidelines for detailed MI information</li> <li>• MI coverage is <b>not limited</b> to the current mortgage insurer on the loan being refinanced</li> <li>• DU will identify the MI company currently providing coverage</li> </ul> <p><b>NOTE: If the existing loan has lender paid mortgage insurance (LPMI) the loan is ineligible for RefiNow</b></p>	
<b>Mortgage History</b>	<p>0x30 in most recent 6 months and no more than 1x30 in months 7 through 12 for the loan being refinanced</p> <p><b>NOTE:</b> If the borrower was in forbearance due to COVID-19 and had missed payments, and those missed payments have been resolved per Fannie Mae's standard forbearance plan policy, the missed payments are not considered delinquencies when determining if the payment history requirements have been met. Refer to the Mortgage/Rental History topic in the <a href="#">Homebridge Fannie Mae Conforming and High Balance Program</a> guidelines posted on the Homebridge website for forbearance plan requirements</p>	

## Fannie Mae RefiNow Option

<b>Occupancy</b>	1-unit owner-occupied primary residence
<b>Products</b>	Fixed rate with a 30 year loan term
<b>Properties – Eligible</b>	<ul style="list-style-type: none"> <li>1-unit single family residence/PUD (attached/detached)</li> <li>Condominium (attached/detached), FNMA warrantable. Project review not required Homebridge must verify not an ineligible project (e.g. condotel, timeshare, segmented ownership project, etc.) and confirm the appropriate property and flood insurance (if applicable) is obtained</li> <li>Multi-wide manufactured home (double/triple)</li> </ul>
<b>Properties – Ineligible</b>	<ul style="list-style-type: none"> <li>2-4 units</li> <li>Condotels</li> <li>Co-ops</li> </ul>
<b>Subordinate Financing</b>	<ul style="list-style-type: none"> <li>Existing subordinate financing: <ul style="list-style-type: none"> <li>- Cannot be paid off with proceeds from the new loan</li> <li>- May remain in place if it is resubordinated to the new loan</li> <li>- May be simultaneously refinanced with the existing first lien provided: <ul style="list-style-type: none"> <li>- 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</li> <li>- There is no increase in the monthly principal and interest payment on the subordinate lien</li> </ul> </li> </ul> </li> <li>New subordinate financing is permitted <b>only if</b> it replaces existing subordinate financing</li> </ul>
<b>Transactions – Eligible</b>	<ul style="list-style-type: none"> <li>Limited cash-out refinance (rate/term)</li> </ul> <p><b>NOTE:</b> RefiNow option is only available for a one time use</p>
<b>Transactions – Existing Loan Ineligibility</b>	<p>The following will make the existing loan <b>ineligible</b> for the RefiNow option.</p> <p>The existing loan:</p> <ul style="list-style-type: none"> <li>Is not owned by Fannie Mae</li> <li>Is not seasoned <math>\geq 12</math> months (the new loan cannot close until the existing loan is seasoned at least 12 months)</li> <li>Is not a conventional loan,</li> <li>Is not a first lien,</li> <li>Is a DU Refi Plus, Refi Plus, High LTV refinance or RefiNow,</li> <li>Is currently subject to recourse, repurchase agreement, outstanding repurchase demand, indemnification, or credit enhancement,</li> <li>Is a Texas Section 50(a)(6) aka Texas equity</li> </ul>
<b>Transactions – New Loan Ineligibility</b>	<p>The following features are ineligible for the new RefiNow loan:</p> <ul style="list-style-type: none"> <li>High-balance loan amount,</li> <li>DTI exceeds 65%,</li> <li>Cash back to the borrower exceeds \$250,</li> <li>HomeReady loan,</li> <li>HomeStyle Renovation or Energy loan,</li> <li>Construction-to-perm,</li> <li>The mortgage being paid off with the transaction on the loan application cannot be matched to a credit report account to determine if the payment history requirements have been met,</li> <li>ARM transaction</li> </ul>