

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 ³
1-unit SFR/PUD/Condo	97% ^{1,2}	Conforming	No minimum
Manufactured Home	95% ^{1,2}	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.
- 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 the [Fannie Mae Area Median Income Lookup Tool](#)
- 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	- Signed 4506-C required prior to loan closing for both personal and business tax returns (if applicable) - Tax transcripts are not required NOTE: At underwriter discretion transcripts may be required in certain circumstances (e.g. handwritten paystubs, borrower employed by family member, etc.) - Homebridge will order transcripts at random for quality control purposes
Age of Documents	<u>The temporary policies below are effective until further notice</u> - All income and asset documentation must be dated no more than 60 days prior to the Note date except: - Asset accounts that receive a quarterly statement, the most recently issued quarterly statement is acceptable - Military income identified on a Leave and Earnings Statement, - Retirement, SSI, survivor and dependent benefit, long-term disability, and foster-care income - Royalty payments
Appraisal	- DU determines the appraisal requirement. If an appraisal waiver is offered by DU, it must be on the final DU finding - A minimum of 3 closed comparable sales required. The sources of the closed comparable sales used in the appraisal are subject to the following requirements (excluding rural areas and/or Maine, New Hampshire and Vermont; see NOTE below). At least two of the comparables must be from the Multiple Listing Service (MLS). The two comparable sales must: - Be located within the same town or municipality as the subject property, and - Be considered part of the same market area within that town or municipality as the subject property On an exception basis, Homebridge will allow comparables from another town or municipality, however the appraiser must provide substantial commentary on the similarities of the two towns/municipalities and why they are considered comparable markets. The exception request must be approved by the Homebridge Appraisal Dept. - The remaining comparable(s) must be from one of the following entities: Comps Inc., or Property Navigator (NY only – formerly GeoData), or PropertyShark (NY only), or StreetEasy (NY only) If at least two comparable are not from the MLS, a Desk Review, completed by the Homebridge Appraisal Dept., will be required NOTE: Comparables from a public independent source are eligible in rural areas and/or in Maine, New Hampshire, and Vermont where MLS is not common; the above policy does not apply - Net or gross adjustments made to the comparable sales by the appraiser must be market based (i.e. the appraiser must analyze the market for competitive properties and provide appropriate market based adjustments without regard to “rule-of-thumb”/arbitrary limits on the size of the adjustment. Properties used as a comparable sale must be similar enough to the subject property to be considered a competitive property. - Comparable sales adjustments deemed excessive by the underwriter must be addressed. - If an appraisal is required, Fannie Mae will provide a \$500 credit which must be passed on to the borrower

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Appraisal Management Companies (AMC)	The appraisal must be requested from the AMC assigned by Homebridge which is based on the state where the property is located . The chart below identifies the applicable AMC by property location.	
	AMC	Subject Property Location
	Class Valuation	Alabama, Alaska, Arkansas, Colorado, Hawaii, Idaho, Illinois, Indiana, Iowa, Kentucky, Michigan, Minnesota, Mississippi, Montana, New Mexico, North Dakota, Ohio, Oklahoma, Oregon, South Dakota, Tennessee, Texas, Utah, Washington, West Virginia, Wisconsin, Wyoming
	Fastapp Appraisal Management	Connecticut, Delaware, Kansas, Louisiana, Maine, Maryland, Massachusetts, Missouri, Nebraska, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, Virginia, Washington D.C.
	Golden State	Arizona, California, Nevada (see Important Note below for exception) Important Note: Golden State does not support the following appraisal types: - Fannie Mae Value Acceptance + Property Data, or - Fannie Mae Hybrid If one of the above appraisal options have been offered and accepted on the transaction and the property is located in AZ, CA, or NV, the appraisal must be ordered from Class Valuation
	Nationwide Appraisal Network (NAN) A Stewart Valuation Intelligence Company	Florida, Georgia, North Carolina, South Carolina
To view the state map on the Homebridge website, click here: Broker Resources		
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 not eligible	
Available Markets	- All 50 states - Guam, Puerto Rico and the Virgin Islands are ineligible	
Borrower Benefit	- The refinanced loan must provide the following benefits to the borrower: - 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)	
Borrower Eligibility	All borrowers on the current loan must be on the new loan - Borrower(s) cannot be removed (see exception below), and - New borrower(s) cannot be added Exception: One or more borrowers may be removed only if one of the following applies: - 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, OR - 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. - Borrowers previously convicted of mortgage fraud are ineligible. - Non-occupant co-borrowers are acceptable provided they are on the current loan	
Cash Back to Borrower	Maximum cash back to borrower is \$250.00. Any funds in excess of \$250 must be applied as a principal reduction	

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Credit Report	- Homebridge will accept a credit report, in the broker's name, from any Fannie Mae acceptable credit vendor. The credit report must contain trended credit data. NOTE: Homebridge will accept a credit report that includes both a FICO score and a VantageScore however Homebridge will continue to use the FICO score as the representative credit score for loan qualification - A tri-merged credit report is required for all borrowers. - The borrower(s) must address all credit inquiries indicated on the credit report within the previous 90 days, specifically stating the name of the creditor(s) and the result of the inquiry/inquiries (i.e. was new credit obtained or not). Examples of acceptable/unacceptable responses below: Acceptable Response: "The inquiry/inquiries by Bank of America, Wells Fargo, etc. did not result in additional credit" Unacceptable Response: "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 not listed)														
Credit Scores	Minimum credit score not required, however each borrower must have a credit score which must be documented NOTE: DU uses the average median credit score when determining eligibility														
Derogatory Credit Events	Standard Fannie Mae derogatory credit requirements and waiting periods apply Exception: The LTV limitation that applies to prior foreclosures is not applicable														
DTI	Maximum 65%														
Employment Verification	- A verbal verification of employment (VVOE) is required within 10 business days prior to the Note date for wage earner borrowers and within 120 calendar days prior to the Note date for self-employed borrowers. - A military Leave and Earnings Statement, dated within 120 calendar days prior to the Note date, is acceptable for active duty military in lieu of a VVOE														
Escrow/Impound Account	> 80% LTV required unless prohibited by state law: CA loans ≥ 90% LTV ≤ 80% LTV not required; refer to HB rate sheet for pricing adjustment Reminder: If flood insurance is required, escrow/impounds are required regardless of LTV; escrows cannot be waived														
Existing Loan Requirements	The existing loan must: - Currently be owned by Fannie Mae, and - Be seasoned a minimum of 12 months measured from the original Note date to the Note date of the new loan, and - Not be subject to recourse, repurchase agreement or outstanding repurchase demand, indemnification, or credit enhancement, and - Not be an existing DU Refi Plus or Refi Plus loan or High LTV Refinance loan														
Income Limit	- 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														
Income Documentation	Income documentation requirements: <table border="1" data-bbox="331 1493 1516 1940"> <thead> <tr> <th>Income Type</th><th>Minimum Documentation Requirements</th></tr> </thead> <tbody> <tr> <td>Base Pay (non-variable)</td><td>Borrower(s) most recent paystub, with YTD income, dated no earlier than 30 days prior to the loan application date</td></tr> <tr> <td>Base Pay (variable): Tip, Bonus, OT, Commission</td><td>Borrower's most recent paystub and W-2 covering the most recent one-year period</td></tr> <tr> <td>Military</td><td>Leave and Earnings Statement</td></tr> <tr> <td>Self-Employment</td><td>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</td></tr> <tr> <td>Alimony, Child Support, Separate Maintenance</td><td> - Copy of divorce decree, separation agreement, court order or equivalent documentation, and - Documentation of one-month's receipt </td></tr> <tr> <td>All Other Eligible Income Types</td><td>Standard Fannie Mae requirements apply</td></tr> </tbody> </table>	Income Type	Minimum Documentation Requirements	Base Pay (non-variable)	Borrower(s) most recent paystub, with YTD income, dated no earlier than 30 days prior to the loan application date	Base Pay (variable): Tip, Bonus, OT, Commission	Borrower's most recent paystub and W-2 covering the most recent one-year period	Military	Leave and Earnings Statement	Self-Employment	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	Alimony, Child Support, Separate Maintenance	- Copy of divorce decree, separation agreement, court order or equivalent documentation, and - Documentation of one-month's receipt	All Other Eligible Income Types	Standard Fannie Mae requirements apply
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Liabilities	Alimony and/or Child Support 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: • The divorce decree or separation agreement, • The court order, or • Equivalent documentation confirming the amount of the obligation Buy Now/Pay Later Accounts Buy Now, Pay Later accounts offer short-term financing that allows consumers to pay over time on purchases, often interest-free for a period of time. • Companies offering Buy Now, Pay Later include, but are not limited to: - Affirm, - Klarna, - Afterpay, - Sezzle, - Zip • Additionally, many airlines, retail establishments, medical/dental providers offer Buy Now, Pay Later options. • Buy Now, Pay Later accounts are subject to the following requirements: - If the debt is identified on any asset statement or is otherwise disclosed in the loan file but not on the credit report, the debt is treated the same as other debt. This includes: ○ Undisclosed debt ○ Deferred debt ○ Debt paid by others ○ Consideration of installment loans and revolving accounts to DTI - If the debt is not excluded, no additional documentation required and the debt is included in the DTI - If the debt is excluded, standard documentation is required to verify terms and conditions used to support the exclusion - A credit supplement is not required however it may be obtained to verify terms and conditions provided the creditor will provide the information Refer to the Homebridge Fannie Mae Conforming and High Balance guidelines for complete Liabilities requirements
LDP/GSA and Mortgage Fraud	• LDP / GSA LDP / GSA 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. - Borrower(s) and Borrower(s) AKA name (if applicable) - Seller(s), - Real Estate Listing and Selling Agent(s), - Appraiser, - Appraisal Company (not the AMC) - Broker - Loan Officer, Loan Officer Assistant - Loan Processor, - Underwriter, - Closing/Settlement Agent, - Title/Settlement Company, and - 203(k) Consultant • 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.
Mortgage Insurance	• Standard mortgage insurance policies apply; refer to the Mortgage Insurance topic in the Homebridge Fannie Mae Conforming and High Balance guidelines for detailed MI information • MI coverage is not limited to the current mortgage insurer on the loan being refinanced • DU will identify the MI company currently providing coverage NOTE: If the existing loan has lender paid mortgage insurance (LPMI) the loan is ineligible for RefiNow

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Mortgage History	0x30 in most recent 6 months and no more than 1x30 in months 7 through 12 for the loan being refinanced NOTE: 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 Homebridge Fannie Mae Conforming and High Balance Program guidelines posted on the Homebridge website for forbearance plan requirements
Occupancy	1-unit owner-occupied primary residence
Products	Fixed rate with a 30 year loan term
Properties – Eligible	1-unit single family residence/PUD (attached/detached) - 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 - Multi-wide manufactured home (double/triple)
Properties – Eligible: Florida Condominium Projects	Florida condominium projects that are 3 or more stories high are subject to the following requirements: - If the condo building is 30 years or older, OR - The condo building is 25 years or older AND the building is within 3 miles of the coastline, THEN: - Evidence the building has completed the inspections required under Florida Senate Bill 4D (SB-4D), AND - Evidence the HOA has completed the required structural integrity reserve study, and the budget contains sufficient reserves. The HOA fee must be consistent with the budget NOTES: - If the project has not had the required inspections, it is ineligible - If an inspection was completed but revealed substantial structural deterioration and/or unsafe/dangerous conditions exist, evidence the required repairs have been completed must be provided or the project is ineligible REMINDER: This requirement does not apply if the condo building is only 1 or 2 stories high
Properties – Ineligible	2-4 units - Condotels - Co-ops
Subordinate Financing	- Existing subordinate financing: - Cannot be paid off with proceeds from the new loan - May remain in place if it is resubordinated to the new loan - May be simultaneously refinanced with the existing first lien provided: - 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 permitted only if it replaces existing subordinate financing
Transactions – Eligible	Limited cash-out refinance (rate/term) NOTE: RefiNow option is only available for a one time use
Transactions – Existing Loan Ineligibility	The following will make the existing loan ineligible for the RefiNow option. The existing loan: - Is not owned by Fannie Mae - Is not seasoned ≥ 12 months (the new loan cannot close until the existing loan is seasoned at least 12 months) - Is not a conventional loan, - Is not a first lien, - Is a DU Refi Plus, Refi Plus, High LTV refinance or RefiNow, - Is currently subject to recourse, repurchase agreement, outstanding repurchase demand, indemnification, or credit enhancement, - Is a Texas Section 50(a)(6) aka Texas equity

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Transactions – New Loan Ineligibility	The following features are ineligible for the new RefiNow loan: • High-balance loan amount, • DTI exceeds 65%, • Cash back to the borrower exceeds \$250, • HomeReady loan, • HomeStyle Renovation or Energy loan, • Construction-to-perm, • 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, • ARM transaction
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