



RefiNow Updated 11/01/21

Borrower Eligibility Requirements	
Borrower Income Limit	The borrower(s) income must be less than or equal to 100% of the applicable AMI limit for the subject property's location https://ami-lookup-tool.fanniemae.com/amilookuptool/ 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.

Requirements for the Existing Loan Being Refinanced	
Existing Loan Eligibility	☒ The existing loan must...
	be a conventional mortgage loan owned or securitized by Fannie Mae. www.knowyouroptions.com/loanlookup#form
	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.

Requirements for the New Loan	
Existing Loan Eligibility	☒ The new RefiNow loan must...
	be a fixed-rate loan.
	not exceed 95%LTV/CLTV/HCLTV.
	be a limited cash-out refinance with cash 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). Refer to the Loan Limit Lookup table on the following link to determine maximum loan amount and county eligibility: https://www.fhfa.gov/DataTools/Downloads/Documents/Conforming-Loan-Limits/FullCountyLoanLimitList2021_HERA-BASED_FINAL_FLAT.pdf



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Requirements for the New Loan (Continued)	
	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: - 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 - due to the death of a borrower (evidence of the deceased borrower's death must be documented in the loan file). Note: <i>Non-occupant borrowers are permitted (see below).</i>
	not be a Texas Section 50(a)(6) loan.
	not be subject to a temporary interest rate buydown.
	Note: <i>A RefiNow loan may not be combined with a HomeReady® refinance transaction.</i>
Borrower Benefit	The refinanced loan must provide the following benefits to the borrower: - a reduction in any 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	- New subordinate financing is only permitted if it replaces existing subordinate financing. - Existing subordinate financing - may not be satisfied with the proceeds of the new loan, - can remain in place if it is resubordinated to the new loan, and - may be simultaneously refinanced with the existing first lien mortgage, provided that: - 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.
Occupancy and Property Types	- The new loan must be secured by a one-unit principal residence. - All eligible property types are permitted. - All project review requirements will be waived for properties located in a condo, co-op or PUD project except that the lender must confirm the project is not a condo or co-op hotel or motel, houseboat, timeshare or segmented ownership project. The lender must confirm appropriate property and flood insurance is obtained. Note: <i>The lender must have approval to deliver co-op share loans.</i>

Underwriting and Documentation Requirements for the New Loan	
Underwriting Method	Loans will be underwritten with DU. DU will automate the identification of loan casefiles that appear to be eligible for RefiNow based on the borrowers listed on the loan application, the property address, qualifying income, and several other factors. Refer to the Fannie Mae Release Notes for additional information.



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	All standard Fannie Mae <i>Selling Guide</i> requirements apply unless otherwise indicated. All provisions of Lender Letter LL-2021-03, Impact of COVID-19 on Originations, continue to apply.
Minimum Credit Score and Significant Derogatory Credit	- The loan must have a minimum representative credit score of 620. - 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	For the loan being refinanced, the borrower cannot have had - 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 FNMA temporary policies remain in effect.
Covid-19 Forbearance Temporary Eligibility Requirements (LL-2020-03)	A borrower who is not current and has missed payments on <u>any</u> mortgage loan where borrower is an obligor is eligible for a new mortgage if those missed payments were resolved in accordance with the requirements below: Reinstatement: If the borrower resolved missed payments through a reinstatement, they are eligible for a new mortgage loan. Source of funds used for reinstatement must be documented (in accordance with eligible sources of funds in the Selling Guide) if the reinstatement was completed after the application date of the new transaction. Proceeds from a refinance may not be used to reinstate any mortgage loan. Loss Mitigation Solution: If outstanding payments will be or have been resolved through a loss mitigation solution, the borrower is eligible for a new mortgage loan if they have made at least three timely payments as of the note date of the new transaction as follows: For a repayment plan, the borrower must have made either three payments under the repayment plan or completed the repayment plan, whichever occurs first. Note that there is no requirement that the repayment plan be completed. For a payment deferral, the borrower must have made three consecutive payments following the effective date of the payment deferral agreement.



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	• For a modification, the borrower must have completed the three-month trial payment period. • For any other loss mitigation solution not listed above, the borrower must have successfully completed the program, or made three consecutive full payments in accordance with the program. Verification that the borrower has made the required three timely payments may include: • A loan payment history from the servicer or third-party verification service, • the latest mortgage account statement from the borrowers, and • a verification of mortgage If these requirements are met on an existing mortgage loan being refinanced, the new loan amount can include the full amount required to satisfy the existing mortgage.														
Maximum DTI Ratio	The DTI ratio must be less than or equal to 65%.														
Non-Occupant Borrowers	• Non-occupant borrowers are permitted. • A maximum LTV, CLTV, and HCLTV ratio of 95% applies to loans underwritten with DU.														
Documentation Requirements	The following table describes the income documentation requirements.														
	<table><tr><th>Income type</th><th>Minimum documentation requirements</th></tr><tr><td>Base Pay (non-variable)</td><td>The borrower's year-to-date paystub dated no earlier than 30 days prior to the loan application date.</td></tr><tr><td>Base Pay (variable) Tip, Bonus, Overtime Income Commission Income</td><td>The borrower's most recent paystub and W2 covering the most recent one-year period.</td></tr><tr><td>Military Income</td><td>Military Leave and Earnings Statement</td></tr><tr><td>Self-employment</td><td>One year personal and business tax returns</td></tr><tr><td>Alimony, Child Support, or Separate Maintenance</td><td>Copy of divorce decree, separation agreement, court order or equivalent documentation, and one month documentation of receipt</td></tr><tr><td>All Other Eligible Income Types</td><td>Standard Fannie Mae Selling Guide requirements apply</td></tr></table>	Income type	Minimum documentation requirements	Base Pay (non-variable)	The borrower's year-to-date paystub dated no earlier than 30 days prior to the loan application date.	Base Pay (variable) Tip, Bonus, Overtime Income Commission Income	The borrower's most recent paystub and W2 covering the most recent one-year period.	Military Income	Military Leave and Earnings Statement	Self-employment	One year personal and business tax returns	Alimony, Child Support, or Separate Maintenance	Copy of divorce decree, separation agreement, court order or equivalent documentation, and one month documentation of receipt	All Other Eligible Income Types	Standard Fannie Mae Selling Guide requirements apply
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	The following additional documentation requirements apply:														
• Verbal verification of employment (employment or self-employment) is required in accordance with the Fannie Mae 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.															



Appraisal Requirements	
Property Valuation	• Standard property valuation requirements for an appraisal waiver or appraisal apply. • A \$500 credit will be provided to the borrower if an appraisal was obtained for the transaction. ○ CD/Doc Team will include appraisal credit once the loan is ready for docs.

Other	
Usage	The RefiNow option may only be used one time.
Mortgage Insurance	All standard mortgage insurance requirements apply in accordance with the Fannie Mae 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.