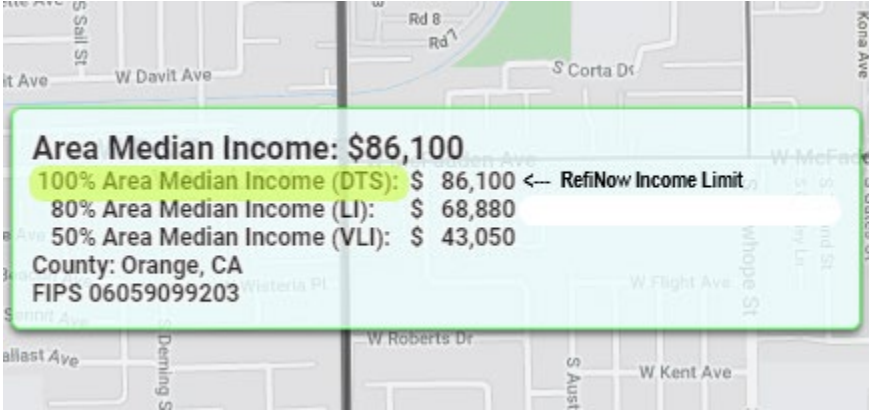




# Fannie Mae – RefiNow Option

<b>Occupancy and Property Types</b>	<ul style="list-style-type: none"> <li>The new loan must be secured by a one-unit principal residence.</li> <li>All eligible property types are permitted.</li> <li>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 also comply with the requirements of LL-2021-14, Temporary Requirements for Condo and Coop Projects. The lender must confirm appropriate property and flood insurance is obtained.</li> </ul> <p><b>NOTE:</b> The lender must have approval to deliver co-op share loans.</p>														
<b>Underwriting and Documentation Requirements for the New Loan</b>															
<b>Underwriting Method</b>	<ul style="list-style-type: none"> <li>Loans may be underwritten with DU. DU will automate the identification of loan casefiles that appear to be eligible for RefiNow based on the borrower listed on the loan application, the property address, qualifying income, and several other factors. Refer to the <a href="#">Release Notes</a> for additional information.</li> <li>Manual underwriting may not be used.</li> </ul>														
<b>Minimum Credit Score and Significant Derogatory Credit</b>	<ul style="list-style-type: none"> <li>The loan must have a minimum representative credit score of 620. (The average median credit score policy does not apply.)</li> <li>The borrower must comply with all applicable waiting periods following derogatory credit events in <a href="#">B3-5.3-07</a>, Significant Derogatory Credit Events – Waiting Periods and Re-establishing Credit. (Exception: The LTV ratio limitation that applies to previous foreclosure is not applicable – standard LTV ratios are permitted.)</li> </ul>														
<b>Payment History Requirements</b>	<p>For the loan being refinanced, the borrower cannot have had</p> <ul style="list-style-type: none"> <li>Any 30-day mortgage delinquencies in the most recent six-month period, and</li> <li>No more than one 30-day delinquency in months 7 through 12.</li> </ul> <p>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 temporary policies remain in effect.</p>														
<b>Maximum DTI Ratio</b>	The DTI Ratio must be less than or equal to 65%														
<b>Non-occupant Borrowers</b>	<ul style="list-style-type: none"> <li>Non-occupant borrowers are permitted.</li> <li>A maximum LTV, CLTV, and HCLTV ratio of 95% applies to loans underwritten with DU and manually (CLTV ratio may be up to 105% when <b>Community Seconds</b> is being resubordinated).</li> <li>Manually underwritten loans are not subject to the occupying borrower DTI ratio of 43%.</li> </ul>														
<b>Documentation Requirements</b>	<p>The following table describes the income documentation requirements.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 35%;">Income Type</th> <th>Minimum Documentation Requirements</th> </tr> </thead> <tbody> <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. See Selling Guide B3-3.1-02, Standards for Employment Documentation.</td> </tr> <tr> <td>Base Pay (variable) Tip, Bonus, Overtime Income Commission Income</td> <td>The borrower’s year-to-date paystub and W2 covering the most recent one-year period. See also B3-3.1-02.</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, unless the terms to waive business tax returns are met in accordance with the Selling Guide</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 Selling Guide requirements apply</td> </tr> </tbody> </table> <p>The following additional documentation requirements apply:</p> <ul style="list-style-type: none"> <li>Verbal verification of employment (employment or self-employment) is required in accordance with the Selling Guide.</li> <li>Verification of funds to close are required. Acceptable asset documentation includes one recent statement (monthly, quarterly, or annual) showing asset balance.</li> <li>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.</li> </ul>	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. See Selling Guide B3-3.1-02, Standards for Employment Documentation.	Base Pay (variable) Tip, Bonus, Overtime Income Commission Income	The borrower’s year-to-date paystub and W2 covering the most recent one-year period. See also B3-3.1-02.	Military Income	Military Leave and Earnings Statement	Self-employment	One year personal and business tax returns, unless the terms to waive business tax returns are met in accordance with the Selling Guide	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 Selling Guide requirements apply
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<b>Collateral Requirements</b>															
<b>Property valuation</b>	<ul style="list-style-type: none"> <li>Standard property valuation requirements for an appraisal waiver or appraisal apply.</li> <li>A \$500 credit will be provided to the lender at the time the loan is purchased if an appraisal was obtained for the transaction. The lender must pass the credit to the borrower. <ul style="list-style-type: none"> <li><b>NOTE:</b> The appraisal credit will be applied based on the delivery of Special Feature Code (SFC) 868 and data in the Loan Delivery file that indicates an appraisal was obtained for the transaction.</li> </ul> </li> </ul>														

Other	
<b>Mortgage Insurance</b>	All standard mortgage insurance requirements apply in accordance with the 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.
<b>LPMI</b>	<ul style="list-style-type: none"> <li>• Not allowed</li> </ul>
<b>Resources/Tools</b>	<ul style="list-style-type: none"> <li>• Fannie Mae Mortgage Loan Lookup: <a href="https://www.knowyouroptions.com/loanlookup">https://www.knowyouroptions.com/loanlookup</a></li> <li>• Area Median Income Lookup Tool: <a href="https://ami-lookup-tool.fanniemae.com/amilookuptool/">https://ami-lookup-tool.fanniemae.com/amilookuptool/</a></li> <li>• Lookup Tool Tips: <a href="https://singlefamily.fanniemae.com/media/8326/display">https://singlefamily.fanniemae.com/media/8326/display</a></li> </ul> <p>Example of AMI for Orange County, CA</p> 

Product Name		Terms
<b>Fixed</b>	RefiNow 15 Year Fixed	Fully Amortizing 15 Years
	RefiNow 30 Year Fixed	Fully Amortizing 30 Years