



Fannie Mae Refi Now Reference

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| Fannie Mae Refi Now | | | |
|----------------------------|-----------------|-----------------------|--------------------------|
| Transaction Type | Number of Units | Max LTV/CLTV/HCLTV | Credit score requirement |
| Primary Residence Only | | | |
| Limited Cash-Out Refinance | 1 Unit | FRM: 97% ¹ | 620 |

¹Transactions with non-occupant co-borrowers are limited to 95% LTV/CLTV

| Guidelines | |
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| Maximum Loan Amount 2021 | Current Guidance is available at https://www.fanniemae.com/singlefamily/loan-limits |
| Existing Loan Eligibility | <ul style="list-style-type: none"> • Requires documentation that the existing loan being refinanced is owned or securitized by Fannie Mae • Existing loan Seasoning <ul style="list-style-type: none"> ○ Must be a minimum of 12 months seasoned from the original note date to the new loan note date, and ○ No more than 120 months old from original note date to new note date • Not be subject to recourse, repurchase, indemnification, outstanding repurchase demand or credit enhancement • Not be an existing high LTV refinance loan, DU refi Plus, or Refi Plus loan |
| New loan Eligibility | <ul style="list-style-type: none"> • Fixed rate only • Limited Cash-out with financed closing costs, prepaids and points not to exceed \$5,000 • Cash out less than or equal to \$250. Incidental cash back exceeding \$250 may be applied to principal curtailment • Borrower's must be identical to the loan being refinanced. No borrower additions • Borrower's may only be removed if: <ul style="list-style-type: none"> ○ The remaining borrower(s) meet the payment history requirements and provide evidence they have made the last 12 months of payments out of their own funds, OR ○ Due to the death of a borrower |
| Net Tangible Benefit | <p>The refinanced loan must provide the following benefits to the borrower:</p> <ul style="list-style-type: none"> • A reduction in interest rate of at least 0.50%, and • A reduction in the monthly payment(Principal, Interest, MI payment) of at least \$50.00 |
| Minimum Loan Amount | \$50,000.00 |
| AUS | Desktop Underwriter Approve/Eligible findings required Manual UW is not permitted |

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| Maximum DTI Ratio | The DTi ratio must be less than or equal to 65% |
| Income Limits | <ul style="list-style-type: none"> • The borrower's qualifying income must be less than or equal to 80% of the applicable Area Median Income (AMI) for the subject property's location. • The income from all borrowers who will sign the note must be considered in determining whether the loan is eligible under the borrower income limits |
| Condos | <p>All project review requirements will be waived for properties located in a condo or PUD project subject to confirmation that</p> <ul style="list-style-type: none"> • The project is not a condo hotel or motel, houseboat, timeshare or segmented ownership project and • Appropriate property and flood insurance is obtained • Florida Condos are allowed in accordance with Fannie Mae requirements. |
| Credit | <ul style="list-style-type: none"> • The loan must have a minimum representative credit score of 620. • The borrower must comply with all applicable waiting periods following 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.) • The mortgage payment history for the loan being refinanced requires: <ul style="list-style-type: none"> ○ Borrower cannot have had any 30-day mortgage delinquencies in the most recent six-month period (months 1-6), and ○ No more than one 30-day delinquency in months 7 through 12. |
| Ineligible Borrowers | Foreign nationals, Borrowers with diplomatic immunity, Borrowers without social security numbers. (ITINS ineligible) |
| Ineligible Property Types | Community Land Trusts or Blind Trusts, Vacant Land or development properties, Bed and Breakfast properties, Boarding Houses, Agricultural properties (farms / livestock ranches), Leasehold Condos, Lava Zones 1, Lava Zone 2 for Freddie Mac only, Co-Ops, Land contracts, Properties that are not accessible by roads that meet local standards, properties located on Tribal Lands including section 184, properties sourced by a river, properties with more than one unit where one or more of the units is a manufactured home, single wide manufactured homes, properties not suitable for year round occupancy regardless of location, properties located in the DHHL (Department of Hawaiian Home Lands Leasehold |
| Ineligible Loan Characteristics | Down Payment Assistance, Mortgage Credit Certificates (MCC), Escrow holdbacks, Texas Section 50(a)(6), Temporary interest rate buydown |
| Tax Transcripts | Executed 4506-C required at application and again at closing. Tax transcripts required prior to final approval for all self-employed borrowers and for borrowers with any type of other income which require the tax returns to verify. |
| Credit History | Credit history is evaluated by AUS |
| Eligible Subordinate Financing | <p>Existing Subordinate financing</p> <ul style="list-style-type: none"> • may not be satisfied with the proceeds of the new loan, |

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| | <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> ○ 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. |
| Delinquent Federal Debt | Proof of payment is required, or evidence of IRS payment plan in place, with monthly payment included in DTI. |
| Judgements | May remain unpaid if subordinated. |
| Paying off debt to qualify | Installment debt (excluding leases) may be paid down to 10 months for qualifying. Excluding debts that are 10 months and under is only permitted when they do not significantly affect the borrower's ability to meet credit obligations (typically defined as having sufficient assets to cover the payments). Revolving debt may be paid off and excluded from DTI for qualifying; revolving accounts that are paid off do not have to be closed. Payoffs for installment accounts or current statement for revolving must be used for amount to be paid off, credit report balance may not be used for amount. |

| Income Documentation | |
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| 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 year-to-date paystub and W2 covering the most recent one-year period. |
| Military Income | Military Leav 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 |

Wherever possible EPM Underwrites to agency guidelines, unless specified in this document, the agency guidelines should be used for determining eligibility. Any requirements by DU.

Fannie Mae Sellers Guide

<https://www.fanniemae.com/content/guide/selling/index.html>

