

RefiNow is a refinance option that offers expanded eligibility to benefit borrowers at or below 80% of the area median income (AMI) limit and helps more borrowers take advantage of the current low interest rate environment.

This program is committed to fulfilling the affordable housing mission to serve low-income borrowers by offering home financing options that help them build equity and grow wealth, while continuing to promote a stronger, safer housing finance system. Barriers that hamper low-income borrowers from refinancing result in those borrowers typically refinancing at a slower pace than higher income borrowers and potentially missing the opportunity to take advantage of historically low interest rates that would improve affordability by reducing their monthly housing payment.

The RefiNow option may only be used one time. There is currently no expiration date for this refinance option.

## Rate / Term Refinance Eligibility Matrix

Loan limits for loans originated on or after January 1, 2022. Please refer to [FHFA 2022 Loan Limits](#) for loan limits.

### Conventional <sup>2</sup> – Rate Term LTV Matrix

The following loan amounts apply to loans with funding or settlement dates on or after January 1, 2022

Occupancy		Contiguous States Max Loan	Alaska / Hawaii Max Loan*	Max LTV/CLTV	Min FICO
				DU – Fixed / ARM LTV/CLTV	
Primary	1 Unit	\$647,200	\$970,800	95% / 105% <sup>1</sup> Fixed	620

1. CLTV ratio may be up to 105% when a Community Seconds® is being resubordinated
2. Refer to [FNMA Eligibility Matrix for Manual Underwrite](#)

### LHFS Product Names and Codes (FNMA)

Product Detail	Product Code	Product Detail	Product Code
Conf Fixed 30 RefiNow	C30RN-000	Conf Fixed 15 RefiNow	C15RN-000
Conf Fixed 25 RefiNow	C25RN-000	Conf Fixed 10 RefiNow	C10RN-000
Conf Fixed 20 RefiNow	C20RN-000		



**GENERAL REQUIREMENTS**

<b>ELIGIBILITY</b>	<p><b><u>Existing Loan Eligibility</u></b></p> <ul style="list-style-type: none"> <li>• be a conventional mortgage loan owned or securitized by Fannie Mae.</li> <li>• be seasoned at least 12 months (from the original note date to new loan note date).</li> <li>• not be an existing high LTV refinance loan, DU Refi Plus® loan, or Refi Plus® loan.</li> </ul> <p><b><u>New Loan Eligibility</u></b></p> <ul style="list-style-type: none"> <li>• Must be a fixed-rate loan.</li> <li>• Must have maximum LTV, CLTV, and HCLTV ratios as permitted in the <a href="#">Eligibility Matrix</a>.</li> <li>• Must be a limited cash-out refinance with             <ul style="list-style-type: none"> <li>◦ cash out less than or equal to \$250. Excess proceeds may be applied as a curtailment on the new loan.</li> </ul> </li> <li>• Must have a loan limit that conforms to the general loan limits (high-balance loans are not permitted).</li> <li>• Must 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:             <ul style="list-style-type: none"> <li>◦ 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</li> <li>◦ due to the death of a borrower (evidence of the deceased borrower's death must be documented in the loan file).</li> </ul> </li> <li>• Non-occupant borrowers are permitted (see section "<a href="#">Non-Occupant Borrowers</a>").</li> <li>• Must not be a Texas Section 50(a)(6) loan.</li> <li>• Must not be subject to a temporary interest rate buydown</li> <li>• <b>Note:</b> A RefiNow loan may not be combined with a HomeReady® refinance transaction</li> <li>• All <a href="#">Fannie Mae</a> guidelines apply.             <ul style="list-style-type: none"> <li>◦ <a href="#">2022 Agency Loan Limits</a></li> </ul> </li> <li>• Manual Underwriting is allowed (See <a href="#">Underwriting</a> Section).</li> <li>• All HPML loans must pass Safe Harbor in order to be eligible for closing.</li> </ul>
<b>BORROWER BENEFIT</b>	<p>The refinanced loan must provide the following benefits to the borrower:</p> <ul style="list-style-type: none"> <li>• a reduction in interest rate of at least 50 basis points, and</li> <li>• a reduction in the monthly payment that includes principal, interest, and the mortgage insurance payment (if applicable).</li> </ul>
<b>NON-OCCUPANT BORROWERS</b>	<p>Non-occupant borrowers are permitted.</p> <ul style="list-style-type: none"> <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 a Community Seconds® is being resubordinated).</li> <li>• Manually underwritten loans are not subject to the occupying borrower DTI ratio of 43%.</li> </ul>
<b>CREDIT</b>	<p>The loan must have a minimum representative credit score of 620.</p> <ul style="list-style-type: none"> <li>• The borrower must comply with all applicable waiting periods following derogatory credit events in <a href="#">B3-5.3-07, Significant Derogatory Credit Events – Waiting Periods and Re-establishing Credit</a>. (Exception: The LTV ratio limitation that applies to a previous foreclosure is not applicable – standard LTV ratios are permitted.)</li> </ul> <p><b><u>Payment History Requirements:</u></b></p> <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>
<b>PAYMENT HISTORY</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 <a href="#">LL-2021-03</a>, 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>	<p>The DTI ratio must be less than or equal to 65%</p>



**GENERAL REQUIREMENTS**

<b>EMPLOYMENT / INCOME</b>	<p>The borrower(s) income must be at or below 100% of the applicable <a href="#">AMI limit</a> for the subject property's location.</p> <ul style="list-style-type: none"> <li>In determining whether a loan is eligible under the borrower income limits, TPO 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.</li> </ul>														
<b>EMPLOYMENT / INCOME (Documentation Requirements)</b>	<p>The following table describes the income documentation requirements.</p> <table border="1" data-bbox="386 621 1466 1073"> <thead> <tr> <th data-bbox="386 621 927 653">Income Type</th> <th data-bbox="927 621 1466 653">Minimum Documentation Requirements</th> </tr> </thead> <tbody> <tr> <td data-bbox="386 653 927 753"><b>Base Pay (non-variable)</b></td> <td data-bbox="927 653 1466 753">The borrower's year-to-date paystub dated no earlier than 30 days prior to the loan application date. See Selling Guide <a href="#">B3-3.1-02</a>, Standards for Employment Documentation</td> </tr> <tr> <td data-bbox="386 753 927 854"><b>Base Pay (variable) Tip, Bonus, Overtime Income Commission Income</b></td> <td data-bbox="927 753 1466 854">The borrower's most recent paystub and W2 covering the most recent one-year period. See Selling Guide <a href="#">B3-3.1-02</a>, Standards for Employment Documentation</td> </tr> <tr> <td data-bbox="386 854 927 886"><b>Military Income</b></td> <td data-bbox="927 854 1466 886">Military Leave and Earnings Statement</td> </tr> <tr> <td data-bbox="386 886 927 963"><b>Self-employment</b></td> <td data-bbox="927 886 1466 963">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 data-bbox="386 963 927 1041"><b>Alimony, Child Support, or Separate Maintenance</b></td> <td data-bbox="927 963 1466 1041">Copy of divorce decree, separation agreement, court order or equivalent documentation, and one month documentation of receipt</td> </tr> <tr> <td data-bbox="386 1041 927 1073"><b>All Other Eligible Income Types</b></td> <td data-bbox="927 1041 1466 1073">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	<b>Base Pay (non-variable)</b>	The borrower's year-to-date paystub dated no earlier than 30 days prior to the loan application date. See Selling Guide <a href="#">B3-3.1-02</a> , Standards for Employment Documentation	<b>Base Pay (variable) Tip, Bonus, Overtime Income Commission Income</b>	The borrower's most recent paystub and W2 covering the most recent one-year period. See Selling Guide <a href="#">B3-3.1-02</a> , Standards for Employment Documentation	<b>Military Income</b>	Military 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 in accordance with the Selling Guide	<b>Alimony, Child Support, or Separate Maintenance</b>	Copy of divorce decree, separation agreement, court order or equivalent documentation, and one month documentation of receipt	<b>All Other Eligible Income Types</b>	Standard Selling Guide requirements apply
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<b>MORTGAGE INSURANCE (MI)</b>	<p>All standard mortgage insurance requirements apply in accordance with the Selling Guide.</p> <p>Review DU findings to identify the insurer that is currently providing coverage.</p> <p>Loan must be insured by the current MI provider only.</p> <ul style="list-style-type: none"> <li>A Refi-to-Mod (RTM) request form must be submitted with loan (RTM form is available from the insurer that is currently providing MI coverage).</li> </ul>														
<b>PROPERTY COLLATERAL</b>	<p>A credit of \$500 will be provided to the borrower if an appraisal is obtained for the transaction.</p> <p>Transferred Appraisals: Not eligible</p> <p>The new loan must be secured by a one-unit principal residence.</p> <ul style="list-style-type: none"> <li>All eligible property types are permitted.</li> <li>All project review requirements will be waived for properties located in a condo or PUD project except that LHFS must confirm the project is not a condo or co-op hotel or motel, houseboat, timeshare or segmented ownership project.</li> <li>TPO must confirm appropriate property and flood insurance is obtained.</li> </ul> <p>Standard property valuation requirements for an appraisal waiver or appraisal apply.</p>														



**GENERAL REQUIREMENTS**

<p><b>ELIGIBLE SUBORDINATE FINANCING</b></p>	<ul style="list-style-type: none"> <li>• New subordinate financing is only permitted if it replaces existing subordinate financing.</li> <li>• Existing subordinate financing             <ul style="list-style-type: none"> <li>○ may not be satisfied with the proceeds of the new loan, and</li> <li>○ can remain in place if it is resubordinated to the new loan.</li> <li>○ may be simultaneously refinanced with the existing first lien mortgage, provided that:                 <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> </ul>
<p><b>UNDERWRITING</b></p>	<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 borrowers listed on the loan application, the property address, qualifying income, and several other factors.</li> <li>• Refer to the <a href="#">Release Notes</a> and Lender Letter (LL-2021-10) for additional information.</li> <li>• Manual underwriting may be used if the loan is otherwise eligible for manual underwriting.</li> <li>• Manually underwritten loans:             <ul style="list-style-type: none"> <li>○ are only required to comply with the maximum LTV, CLTV, HCLTV ratios listed on the Eligibility Matrix and as otherwise stated within this document.</li> <li>○ may follow the DTI ratio and credit score requirements below. There are no required minimum reserves.</li> </ul> </li> </ul>
<p><b>HELPFUL LINKS</b></p>	<p><b><u>Land Home Financial Additional Resources:</u></b></p> <ul style="list-style-type: none"> <li>• <a href="#">eXPRESS</a></li> <li>• <a href="#">LHFSWholesale.com</a></li> <li>• <a href="#">Conforming, Super Conforming, and High Balance LTV Matrix</a></li> <li>• <a href="#">Multiple Financed Properties</a></li> <li>• <a href="#">Conventional - Submission Checklist</a></li> </ul> <p><b><u>Agency Guidelines:</u></b></p> <ul style="list-style-type: none"> <li>• <a href="#">Fannie Mae Selling Guide</a></li> </ul> <p><b><u>Manufactured Housing:</u></b></p> <ul style="list-style-type: none"> <li>• <a href="#">Manufactured Housing – Conventional Matrix</a></li> </ul>

Each loan will be evaluated for layers of risk, reasonability, ability and willingness to repay debt. Additional items for consideration include but are not limited to payment shock, assets, reserves, negative balances in bank accounts, housing history, slow pays, financing management evidenced by credit and asset reviews, red flags, multiple layers of risk, etc. May require additional documentation or explanations above and beyond the AUS requirements.

**Guidelines are for use by mortgage professionals only and subject to change without notice.**

