

RefiNow™ Overview

RefiNow is an affordable refinancing option for qualifying homeowners aimed at making it easier and less expensive to reduce their monthly housing costs. The table below compares Fannie Mae Limited Cash-Out Refinance features with RefiNow. For details, refer to [Lender Letter 2021-10](#).

Category	Standard Selling Guide - Limited Cash-Out Refinance (LCOR)	RefiNow
Existing Loan Eligibility	<ul style="list-style-type: none"> Does not limit refinances to existing Fannie Mae loans except for loans with LTV, CLTV, or HCLTV ratios of 95.01 – 97% (B2-1.3.02) No restrictions on loan seasoning 	<ul style="list-style-type: none"> The existing loan must: <ul style="list-style-type: none"> be a conventional mortgage loan owned or securitized by Fannie Mae. be seasoned at least 12 months* 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
Borrower Income Limits	<ul style="list-style-type: none"> No income limits 	<ul style="list-style-type: none"> 100% of Area Median Income (AMI)*
Borrower Benefit	<ul style="list-style-type: none"> No borrower benefit requirements 	<ul style="list-style-type: none"> Borrower benefit requirement: <ul style="list-style-type: none"> Reduction in interest rate of at least 50 bps, and A reduction in monthly payment which includes principal, interest, and the mortgage insurance payment (if applicable)*
Maximum DTI	<ul style="list-style-type: none"> 50% for loans underwritten through DU; 45% for manual underwriting) 	<ul style="list-style-type: none"> 65%
Credit Assessment and History	<ul style="list-style-type: none"> For certain Desktop Underwriter® (DU®) casefiles, DU will use an average median credit score in place of the representative credit score in the eligibility assessment Mortgage payment history requirements: <ul style="list-style-type: none"> No 60-day or greater delinquencies in the 12 months prior to the credit report date 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 Fannie Mae’s Lender Letter 2021-03, those missed payments are not considered delinquencies for the purpose of meeting the payment history requirement 	<ul style="list-style-type: none"> No minimum credit score is required, but each borrower must have a credit score and it must be provided at loan delivery** Mortgage payment history requirements: <ul style="list-style-type: none"> No missed payments in the most recent six months No more than one 30-day delinquency in the prior six months (months 7-12) Same as standard for missed payments due to a COVID-19 forbearance
Subordinate Financing	<ul style="list-style-type: none"> May pay off subordinate financing 	<ul style="list-style-type: none"> Existing subordinate financing <ul style="list-style-type: none"> may not be satisfied with proceeds of the new loan, may be simultaneously refinanced with the existing first lien mortgage if it meets certain requirements New subordinate financing is only permitted if it replaces existing subordinate financing



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Collateral & Property Valuation	<ul style="list-style-type: none">Standard appraisal or appraisal waiver required	<ul style="list-style-type: none">Same as standard, with the following exception:Provide \$500 lender credit to be passed on to the borrower if an appraisal was obtained (no appraisal waiver executed)
Pricing	<ul style="list-style-type: none">Standard loan-level price adjustments (LLPAs)	<ul style="list-style-type: none">Same as standard
TBA Eligibility	<ul style="list-style-type: none">TBA-eligible	<ul style="list-style-type: none">Same as standard

* On October 20, 2021, Fannie Mae announced changes to the requirements for borrower income limits, monthly savings, financing of closing costs, and loan seasoning. Please refer to [LL-2021-10](#) for details, including effective dates.

** On April 6, 2022, Fannie Mae announced removing the minimum representative credit score requirement of 620, applicable to manually underwritten loans and DU Version 11.0 loan casefiles submitted or resubmitted on or after the weekend of April 23, 2022. Please refer to [LL-2021-10](#) for details.

This summary is intended for reference only. All criteria are subject to the formal terms and conditions of the Fannie Mae [Selling Guide](#) and [Servicing Guide](#). In the event of any conflict with this document, the Selling Guide and/or Servicing Guide will govern.