

# REMN WS FNMA RefiNow Product Guidelines

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# REMN WS FNMA RefiNow Product Guidelines

REFI NOW PRODUCT MATRIX																	
Product Matrix	<table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="4">Primary Residence Limited Cash-Out (Rate/Term) Refinance</th> </tr> <tr> <th>Property Type</th> <th>LTV/CLTV</th> <th>Loan Amount</th> <th>Credit Score</th> </tr> </thead> <tbody> <tr> <td>1-unit SFR/PUD/Condo</td> <td>97% <sup>1,2</sup></td> <td>Conforming</td> <td>620</td> </tr> <tr> <td>Manufactured Home</td> <td>95% <sup>1,2</sup></td> <td>Conforming</td> <td>620</td> </tr> </tbody> </table> <p><b>Footnotes:</b></p> <ol style="list-style-type: none"> <li>Transactions with a non-occupant co-borrower are limited to maximum 95% LTV/CLTV</li> <li>CLTV up to 105% allowed when a Community Second is being resubordinated</li> </ol>	Primary Residence Limited Cash-Out (Rate/Term) Refinance				Property Type	LTV/CLTV	Loan Amount	Credit Score	1-unit SFR/PUD/Condo	97% <sup>1,2</sup>	Conforming	620	Manufactured Home	95% <sup>1,2</sup>	Conforming	620
Primary Residence Limited Cash-Out (Rate/Term) Refinance																	
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Product Overview	<p><b>All requirements of the Fannie Mae Selling Guide apply, except as otherwise stated in the chart below.</b> All provisions of <a href="#">Lender Letter LL-2021-03</a>, Impact of COVID-19 on Originations, continue to apply. For topics not covered in these guidelines, refer to standard Fannie Mae product guidelines at <a href="http://www.remnwholesale.com">www.remnwholesale.com</a>.</p>																
Borrower Income Limit	<p>The borrower(s) income must be less than or equal to 100% of the applicable AMI limit 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, 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.</li> <li>The lender must use the same methodology in determining income eligibility for a RefiNow loan as they use in reporting "Monthly Income" in Loan Delivery.</li> <li>Use <a href="#">Fannie Mae's Income Lookup Tool</a> to determine AMI.</li> </ul>																
Existing Loan Eligibility	<p>The existing loan must:</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 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)</li> <li>not be an existing high LTV refinance loan, DU Refi Plus<sup>®</sup> loan, or Refi Plus<sup>®</sup> loan.</li> </ul> <p>You can determine if your loan is owned by Fannie Mae by checking the <a href="#">Fannie Mae Mortgage Loan Lookup Tool</a></p>																
New Loan Eligibility	<p>The Mortgage being refinanced must:</p> <ul style="list-style-type: none"> <li>be a fixed-rate loan</li> <li>have maximum LTV, CLTV, and HCLTV ratios as permitted in the Product Matrix.</li> <li>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.</li> <li>have a loan limit that conforms to the general loan limits (high-balance loans are not permitted)</li> <li>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> <li>Note: Non-occupant borrowers are permitted (see below).</li> </ul> </li> <li>not be a Texas Section 50(a)(6) loan.</li> <li>not be subject to a temporary interest rate buydown.</li> </ul> <p>Note: A RefiNow loan may not be combined with a HomeReady refinance transaction.</p>																



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REFI NOW PRODUCT MATRIX	
<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) of at least \$50.00.</li> </ul>
<b>Eligible Subordinate Financing</b>	<p>Existing subordinate financing</p> <ul style="list-style-type: none"> <li>• may not be satisfied with the proceeds of the new loan,</li> <li>• can remain in place if it is resubordinated to the new loan, and</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> <p>New subordinate financing is only permitted if it replaces existing subordinate financing.</p>
<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 condotel, houseboat, timeshare or segmented ownership project. The lender must confirm appropriate property and flood insurance is obtained.</li> </ul>
<b>Underwriting Method</b>	<ul style="list-style-type: none"> <li>• Loans must 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 <a href="#">Release Notes</a> for additional information. <ul style="list-style-type: none"> <li>- Manual underwriting is not permitted per REMN WS policy.</li> </ul> </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.</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 a 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:</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, 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>
<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 (CLTV ratio may be up to 105% when a Community Seconds® is being resubordinated).</li> </ul>



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## REFI NOW PRODUCT MATRIX

<b>Documentation Requirements</b>	The following table describes the income documentation requirements.	
	<b>Income Type</b>	<b>Minimum Documentation Requirements</b>
	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, Commission	The borrowers' most recent paystub and W2 covering the most recent one-year period.
	Military Income	Military Leave and Earning 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 requirements apply
	<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>	
<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.</li> <li>• If the loan qualifies for a property inspection waiver and the borrower elects to get an appraisal, the \$500 credit applies under the following conditions: <ul style="list-style-type: none"> <li>- The appraisal is uploaded through CU</li> <li>- The estimated value is changed in DU to the actual appraised value</li> <li>- DU is re-run so that the Property Inspection Waiver is removed (if the final DU has the PIW, the credit will not apply)</li> </ul> </li> </ul> <p>NOTE: 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.</p>	
<b>Usage</b>	The RefiNow option may only be used one time.	
<b>Mortgage Insurance</b>	<ul style="list-style-type: none"> <li>• Standard mortgage insurance policies apply; refer to the Mortgage Insurance topic in the REMN WS Fannie Mae guidelines at <a href="http://www.remnwholesale.com">www.remnwholesale.com</a>.</li> <li>• 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.</li> <li>• If the existing loan has LPMI coverage, it is ineligible for a RefiNow product.</li> </ul>	

