



FANNIE MAE HIGH LOAN-TO-VALUE REFINANCE

PROGRAM SPECIFICATIONS			
Description	The high loan-to-value (LTV) refinance option provides refinance opportunities to borrowers with existing Fannie Mae mortgages who are making their mortgage payments on time but whose LTV ratio for a new mortgage exceeds the maximum allowed for standard limited cash-out refinance options in the <i>Selling Guide</i> .		
Fannie Mae Loan Lookup	https://www.knowyouroptions.com/loanlookup		
Channels	<ul style="list-style-type: none"> • Broker • Correspondent <ul style="list-style-type: none"> ○ Table Funded ○ Non-Delegated UW ○ Delegated UW 		
FICO	<ul style="list-style-type: none"> • 620 minimum qualifying credit score for all qualifying borrowers. <ul style="list-style-type: none"> ○ The borrower(s) must obtain at least two credit scores. When two credit scores are obtained, choose the lower score. When three credit scores are obtained, choose the middle score. ○ When there are multiple borrowers select the lowest applicable score from the group. 		
UW Method	<ul style="list-style-type: none"> • Desktop Underwriter (DU) 		
AUS Recommendation	<ul style="list-style-type: none"> • Approve/Eligible 		
Eligible Terms	<ul style="list-style-type: none"> • 10, 15, 20, 25, 30 Year Fixed Rate 		
Maximum DTI	<ul style="list-style-type: none"> • 45% <ul style="list-style-type: none"> ○ HPML transactions are not permitted 		
Eligible Transactions Types	<ul style="list-style-type: none"> • Limited Cash Out Refinance 		
Eligible Property Types	<ul style="list-style-type: none"> • 1-4 Unit Primary Residences • 1 Unit Second Homes • 1-4 Unit Non Owner Occupied Residences • Condos/PUDs • Multi-width Manufactured Housing <p>Note: The loan being refinanced and the new loan do not have to represent the same occupancy. The occupancy of the subject property may have changed by the time of the high LTV refinance transaction.</p>		
Maximum LTV/CLTV/HCLTV	No maximum LTV/CLTV/HCLTV		
Minimum LTV	Occupancy	Number of Units	Minimum LTV
	Primary Residence	1-unit (including MH)	97.01%
		2-unit	85.01%
		3- and 4-unit	75.01%
	Second Home	1-unit (including MH)	90.01%
	Investment Property	1- 4 unit	75.01%
Seasoning	<ul style="list-style-type: none"> • Only an existing Fannie Mae mortgage may be refinanced to a new Fannie Mae mortgage • The Note date of the mortgage being refinanced must be on or after October 1, 2017 • The mortgage being refinanced must not have been previously delivered as a DU Refi Plus mortgage • Borrower may refinance using the high LTV refinance option more than once as long as all other requirements, including seasoning, are met <ul style="list-style-type: none"> ○ At least 15 months must have passed between the Note Date of the mortgage being refinanced and the Note Date of the high LTV refi mortgage 		
Payment History	<ul style="list-style-type: none"> • Borrowers must be current with their payments and have: <ul style="list-style-type: none"> ○ No 30-day delinquencies in the most recent six months, and ○ No more than 30-day delinquency in the past 12 months and no delinquency greater than 30 days 		
Borrower Eligibility	<ul style="list-style-type: none"> • Borrower(s) on the loan being refinanced must be identical to the Borrower(s) on the new loan. 		
Borrower Benefit	Borrowers must benefit from the refinance in at least one of the following ways: <ul style="list-style-type: none"> • Reduced monthly principal and interest payment • Lower interest rate • Shorter amortization term • More stable mortgage product, such as moving from an ARM to a FRM 		
Subordinate Financing	New subordinate financing is only permitted if it replaces existing subordinate financing. In addition,		



	<p>the existing subordinate financing:</p> <ul style="list-style-type: none"> • May not be satisfied with the proceeds of the new loan, but • May remain in place as long as it is resubordinated to the new loan, and • May be simultaneously refinanced as long as the new subordinate lien amount does not exceed the existing UPB
Mortgage Proceeds	<p>New loan amount is limited to:</p> <ul style="list-style-type: none"> • The payoff of the UPB of the existing first mortgage loan being refinanced (including accrued interest); • The financing of closing costs, prepaid items, and points up to \$5000 total of the new loan; and • Cash back to the borrower up to \$250. Excess proceeds may be applied as a curtailment on the new loan <p>Note: If combined with a TX (a)(4), cash back or principle curtailments are not permitted. The mortgage amount must be reduced.</p>
Property Valuation	<ul style="list-style-type: none"> • DU appraisal waiver (MH not eligible) • New appraisal
Mortgage Insurance	<ul style="list-style-type: none"> • MI must be transferred to the new loan • If MI is not in place for the loan being refinanced, it is not required for the new loan if all other eligibility requirements are met <p>Note: New MI is permitted, if the current MI provider will not transfer.</p>
MI Companies	<ul style="list-style-type: none"> • Arch • MGIC • Genworth • Republic Mortgage Insurance Company (RMIC) • Triad Guaranty, Inc. • Radian <ul style="list-style-type: none"> ○ Note: New MI is not permitted for Radian
Geographic Restrictions	<ul style="list-style-type: none"> • Alaska • Hawaii <ul style="list-style-type: none"> ○ AFR does not operate in the states of Alaska or Hawaii and does not permit loans with a subject property in Alaska or Hawaii for all programs in all channels with the exception of Correspondent Delegated UW transactions.
Guidelines	<p>https://www.fanniemae.com/singlefamily/originating-underwriting B5-7 (01-05)</p>
Forms	See FORMS Section of the Resource Center
OVERLAYS	
<p>Follow all overlays outlined in the Fannie Mae Fully Amortizing Fixed and High Balance Program Matrix <u>and</u>:</p> <ul style="list-style-type: none"> • Following are not permitted: <ul style="list-style-type: none"> ○ Escrow Credits ○ Manual Underwrite ○ Principal and interest payment increase by more than 20% ○ HPML transactions ○ Omitting a Borrower obligated on the Note on the Mortgage being refinanced, or adding a borrower 	