

Friday, December 3, 2021

Bulletin #2021-AC-043

NOTICE TO ALL CUSTOMERS**Fannie Mae RefiNow Loan Program Enhancements**

FLC Bank is implementing the enhancements announced by Fannie Mae Lender via Letter 2021-10 to the RefiNow loan option effective for loans submitted or resubmitted to DU on or after December 4, 2021.

Eligibility Requirements - Fannie Mae RefiNow		
Effective	Current Requirements	New Requirements
Loans submitted or resubmitted to DU Version 11.0 on or after 12/4/2021	The proceeds to pay financed closing costs, prepaid items and points cannot exceed \$5,000	There is no longer a dollar limit to the amount of closing costs, prepaid items and points that may be financed into the loan amount
	A minimum \$50 reduction in the borrower's monthly payment that includes principal, interest, and the mortgage insurance (if applicable) is required	There is no longer a requirement for a reduction in the monthly mortgage payment of at least \$50; however, the borrower must still see some reduction in the monthly mortgage payment. Note: a reduction in interest rate of at least 50 basis points (0.5%) is still required.
	The borrower's income must be less than or equal to 80% of the applicable Area Median Income (AMI) for the subject property's location	The borrower's income must be less than or equal to 100% of the applicable AMI for the subject property's location
	The existing loan being refinanced must be no more than 120 months old from the original Note date to new Note date	The maximum loan seasoning requirement of 120 months is removed. Note: the requirement for the existing loan to be seasoned at least 12 months is still required
	A reduction in interest rate of at least 50 basis points (0.5%) remains unchanged	

Program reminders:

- A RefiNow loan may not be combined with a HomeReady refinance transaction
- High Balance loan amounts are not eligible
- The existing loan must not be a high LTV refinance loan, DU Refi Plus or Refi Plus loan
- New refinance must be secured by a 1-Unit primary residence

You can access the updated RefiNow guidelines in our website at [Resource Center](#)

To access our most recently updated Temporary Policies Related to COVID-19 (version 44) please [click here](#).