

## FNMA REFINOW CONFORMING FIXED RATE — PRODUCT DESCRIPTION

<p><b>PRODUCT DESCRIPTION</b></p>	<ul style="list-style-type: none"> <li>• First lien, fully amortizing, Fannie Mae Conforming Fixed Rate 10, 15, 20, 25 or 30 Yr Term</li> </ul>
<p><b>PRODUCT CODES</b></p>	<ul style="list-style-type: none"> <li>• <b>30 Year Fixed, Fannie Mae, RefiNow</b> <ul style="list-style-type: none"> <li>• CF30-RN, <b>CF30-RN-Released</b></li> </ul> </li> <li>• <b>25 Year Fixed, Fannie Mae, RefiNow</b> <ul style="list-style-type: none"> <li>• CF25-RN</li> </ul> </li> <li>• <b>20 Year Fixed, Fannie Mae, RefiNow</b> <ul style="list-style-type: none"> <li>• CF20-RN</li> </ul> </li> <li>• <b>15 Year Fixed, Fannie Mae, RefiNow</b> <ul style="list-style-type: none"> <li>• CF15-RN, <b>CF15-RN-Released</b></li> </ul> </li> <li>• <b>10 Year Fixed, Fannie Mae, RefiNow</b> <ul style="list-style-type: none"> <li>• CF10-RN</li> </ul> </li> </ul>
<p><b>BORROWER ELIGIBILITY</b></p>	<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. (See AMI lookup tool link below)</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> </ul> <p><a href="https://ami-lookup-tool.fanniemae.com/amilookuptool/">https://ami-lookup-tool.fanniemae.com/amilookuptool/</a></p>
<p><b>EXISTING LOAN ELIGIBILITY</b></p>	<p>The existing loan must:</p> <ul style="list-style-type: none"> <li>• Be a conventional mortgage loan owned or securitized by Fannie Mae. Not limited to Sam Servicer</li> <li>• Be seasoned at least 12 months but no more than 120 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® loan, or Refi Plus® loan.</li> </ul>
<p><b>NEW LOAN ELIGIBILITY</b></p>	<p>The new RefiNow loan 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 <a href="#">Eligibility Matrix</a></li> <li>• 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>• Have a loan limit that conforms to the general loan limits (high-balance loans are not permitted).</li> </ul>



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<p><b>NEW LOAN ELIGIBILITY (CON'T)</b></p>	<ul style="list-style-type: none"> <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</li> <li>Or due to the death of a borrower (evidence of the deceased borrower's death must be documented in the loan file).</li> </ul> </li> </ul> <p><b>Note:</b> Non-occupant borrowers are permitted (see below).</p> <ul style="list-style-type: none"> <li>Not be a Texas Section 50(a)(6) loan.</li> <li>Not be subject to a temporary interest rate buydown.</li> </ul> <p><b>NOTE:</b> A RefiNow loan may not be combined with a HomeReady® refinance transaction</p>
<p><b>BORROWER BENEFIT</b></p>	<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>
<p><b>ELIGIBLE SUBORDINATE FINANCING</b></p>	<p>New subordinate financing is only permitted if it replaces existing subordinate financing.</p> <ul style="list-style-type: none"> <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 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> </li> </ul>
<p><b>OCCUPANCY AND PROPERTY TYPES</b></p>	<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>Co-ops not allowed</li> <li>The lender must also comply with the requirements of LL-2021-14, Temporary Requirements for Condo and Co-Op Projects. The lender must confirm appropriate property and flood insurance is obtained</li> </ul>
<p><b>UNDERWRITING METHOD</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. Refer to the <a href="#">Release Notes</a> for additional information</li> </ul>
<p><b>MINIMUM CREDIT SCORE AND SIGNIFICANT DEROGATORY CREDIT</b></p>	<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 B3-5.3-07, 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>



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<b>MAXIMUM DTI</b>	<ul style="list-style-type: none"> <li>The DTI ratio must be less than or equal to 65%. AUS must Approve\ Eligible</li> </ul>
<b>PAYMENT HISTORY REQUIREMENTS</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><b>NOTE:</b> Missed payments due to a COVID-19 forbearance that have been resolved in accordance with the temporary eligibility requirements for purchase and refinance transactions in Lender Letter LL-2021-03 are not considered delinquencies for the purpose of meeting the RefiNow payment history requirement</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 to loans underwritten with DU (CLTV ratio may be up to 105% when a Community Seconds® is being resubordinated).</li> </ul>
<b>MINIMUM LOAN AMOUNT MAXIMUM LOAN AMOUNT</b>	<ul style="list-style-type: none"> <li>None</li> <li>FNMA Conforming loan limits</li> </ul>
<b>COLLATERAL REQUIREMENTS</b>	<p>Property valuation...</p> <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> </ul> <p><b>NOTE:</b> 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>THIRD PARTY ORIGINATIONS “TPOS”</b>	<ul style="list-style-type: none"> <li>Gateway does not purchase loans originated through TPOs. (Client level exceptions may be considered for higher net worth Clients with a TPO program established for at least 3 years; strong TPO controls must be demonstrated. Contact your Sales Manager for consideration.)</li> </ul>
<b>USAGE</b>	<ul style="list-style-type: none"> <li>The RefiNow option may only be used one time.</li> </ul>



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<p><b>MORTGAGE INSURANCE</b></p>	<ul style="list-style-type: none"> <li>All standard mortgage insurance requirements apply in accordance with the Selling Guide. 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. Consult your mortgage insurer to determine their eligibility guidelines for RefiNow loans.</li> <li>Refer to <a href="#">Chapter 1</a> of our Client Guide for acceptable Mortgage Insurers to Gateway</li> </ul>
<p><b>SOLICITATION</b></p>	<p>Permissible solicitation for RefiNow loans to borrowers at or below 80% of AMI.</p> <ul style="list-style-type: none"> <li>Lenders may solicit borrowers with mortgages owned or securitized by a particular GSE, provided that the lender simultaneously applies the same advertising and solicitation activities with respect to borrowers of mortgage loans with AMIs less than or equal to 100% and owned or securitized by the other GSE</li> <li>Lenders must apply the same advertising and solicitation activities to all mortgage loans with borrowers with AMIs less than or equal to 100% and serviced for a particular GSE, regardless of whether the lender or a third party owns the associated Fannie Mae MBS/UMBS pools or Freddie Mac PC/UMBS pools.</li> <li>All other provisions of Selling Guide B2-1.3-04, Prohibited Refinancing Practices, remain in effect</li> <li>If lenders choose to reach out to borrowers, and the lender’s communication included a reference to a GSA, then the communication must include the following:             <ul style="list-style-type: none"> <li>“Freddie Mac and Fannie Mae have adopted a new refinance option for loans to borrowers with incomes at or below 100% of Area Median Income and you may be eligible to take advantage of this program. If your mortgage is owned or guaranteed by either Freddie Mac or Fannie Mae, you may be eligible to refinance your mortgage under this refinance option.”</li> <li>You can determine whether your mortgage is owned by either Freddie Mac or Fannie Mae by checking the following websites:                 <ul style="list-style-type: none"> <li><a href="#">Freddie Mac Loan Look-Up Tool</a> or</li> <li><a href="#">Fannie Mae Mortgage Loan Lookup</a></li> </ul> </li> </ul> </li> </ul>
<p><b>LOAN DELIVERY AND PRICING</b></p>	<p>For whole loans, lenders will commit and deliver RefiNow loans into standard whole loan commitments.</p> <ul style="list-style-type: none"> <li>For MBS loans, lenders will deliver RefiNow loans at their standard base guaranty fee into standard contracts. MBS pools with RefiNow loans are TBA-eligible.</li> <li>All loans must be delivered with SFC 868.</li> <li>SFC 801 must be delivered if value acceptance (an appraisal waiver) is exercised, in addition to all other applicable SFCs.</li> <li>Loans must be delivered as “LimitedCashOut” in Sort ID 294 (RefinanceCashOutDeterminationType). We are not requiring a new enumeration in Sort ID 451 (Refinance Program Identifier)</li> <li>All standard loan-level price adjustments apply</li> <li>See the <a href="#">Loan-Level Price Adjustment Matrix</a></li> </ul>

