MFM Bulletin: 018-2026

Date: September 10, 2026

Subject: Fannie Mae RefiNow program updates

Fannie Mae has made recent selling guide updates for the RefiNow program. For properties located in a Condo or PUD project, the lender is not required to perform a full project review or confirm the priority of common expense assessments. However, the lender must confirm the project meets the applicable requirements for Waiver of Project Review:

- All property eligibility requirements
- Project does not appear in Condo Project Manager (CPM) as "unavailable"
- Project is not a condohotel, houseboat, timeshare or segmented ownership project
- All appraisal requirements
- All insurance requirements
- There are no unaddressed critical repairs outstanding and property is not subject to evacuation orders – applies to project with more than 10 units
- Project is not terminating or involved in insolvency proceedings

As a reminder, the Fannie Mae RefiNow program is an affordable refinancing option for qualifying homeowners. The existing loan must be a conventional loan owned by Fannie Mae and the loan must meet all other program requirements. See below/attached for a copy of the updated Fannie Mae RefiNow guidelines.

Please contact the MFM Underwriting department (underwriting@memberfirstmortgage.com) if you have any questions or concerns.

Thank you

Fannie Mae RefiNow™

Description
RefiNow™ is an affordable refinancing option for qualifying homeowners aimed at making it easier and less expensive to reduce monthly housing costs. **These loans will be held by MFM Servicing Retained only**.

BORROWER ELIGIBILITY REQUIREMENTS

Eligible Borrowers
The borrower(s) total income must be less than or equal to 100% of the applicable AMI limit for the subject property's location.

- In determining whether a loan is eligible under the borrower income limits, the income utilized in evaluating creditworthiness for the loan from all borrowers who will sign the note must be considered.

REQUIREMENTS FOR THE EXISTING LOAN BEING REFINANCED

Existing Loan Eligibility
The existing loan must:

- Be a conventional mortgage loan owned by Fannie Mae.
- Must be seasoned at least 12 months (from the original note date to the new note date.
- Not be an existing high LTV refinance loan, DU Refi Plus® loan, or Refi Plus® loan.
- You can determine whether the mortgage is owned by Fannie Mae by checking the following websites: Fannie Mae Mortgage Loan Lookup

REQUIREMENTS FOR THE NEW LOAN

New Loan Eligibility
The new RefiNowTM loan must:

- Be a fixed-rate loan.
- Maximum LTV, CLTV, and HCLTV ratios as permitted in the Eligibility Matrix.
  - Be a limited cash-out refinance with maximum cash out to borrower at closing of $250.00.
- Have a loan limit that conforms to the general loan limits (high-balance loans are not permitted).
- 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:
  - 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
  - Due to the death of a borrower (evidence of the deceased borrower's death must be documented in the loan file).
  - Note: Non-occupant borrowers are permitted (see below).
- Not be a Texas Section 50(a)(6) loan.
- Not be subject to a temporary interest rate buydown.

Borrower Benefit
The refinanced loan must provide the following benefits to the borrower:

- Rate reduction of at least .50% from the current interest rate and,
- A reduction in the monthly payment that includes principal, interest, and the mortgage insurance payment (if applicable).

Eligible Subordinate Financing

- Existing subordinate financing
  - May not be satisfied with the proceeds of the new loan,
  - Can remain in place if it is resubordinated to the new loan, and

- May be simultaneously refinanced with the existing first lien mortgage, provided that
  - 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
  - There is no increase in the monthly principal and interest payment on the subordinate lien.
- New subordinate financing is only permitted if it replaces existing subordinate financing.

Occupancy and Property Types

- One-unit principal residence.
- All eligible property types are permitted.
- Condominiums: 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 condo or co-op hotel or motel, houseboat, timeshare or segmented ownership project. The lender must confirm project has appropriate liability, property building and amenity coverage, flood insurance (if required) and HO-6 (if required)

UNDERWRITING AND DOCUMENTATION REQUIREMENTS FOR THE NEW LOAN

Underwriting method

- DU approved/Eligible only. No manual underwriting
- DU will identify and underwrite 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.

If loan IS NOT eligible or cannot be underwritten under the Refi Now program, the loan must be resubmitted to DU on the Web with "STANDARD LCOR" added to the Loan Product field to instruct DU to underwrite the loan as a standard Limited cash out refinance.

Minimum Credit Score and Significant Derogatory Credit

- No minimum credit score required.
- The borrower must comply with all applicable standard waiting periods following derogatory credit events in 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.)

Payment history requirements

- No 30-day mortgage delinquencies in the most recent six-month period, and
- No more than one 30-day delinquency in months 7 through 12.

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 LL-2021-03, 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.

Maximum DTI ratio

The DTI ratio must be less than or equal to 65%.

Non-occupant borrowers

- Non-occupant borrowers are permitted.
- A maximum LTV, CLTV, and HCLTV ratio of 95% applies to loans underwritten with DU and manually (CLTV ratio may be up to 105% when a Community Seconds® is being resubordinated).

Documentation requirements

The following table describes the income documentation requirements.

Income type	Minimum Documentation Requirements
Base Pay (non-variable)	The borrower's year-to-date paystub dated no earlier than 30 days prior to the loan application date. **Pay stub may be no more than two months old at time of closing.**
Base Pay (variable)	The borrower's year-to-date paystub and W2 covering the most recent one-year period.
Military Income	Military Leave and Earnings 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 Selling Guide requirements apply

The following additional documentation requirements apply:

- Verbal verification of employment (employment or self-employment) is required.
- Verification of funds to close are required. Acceptable asset documentation includes one recent statement (monthly, quarterly, or annual) showing asset balance.
- 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.

COLLATERAL REQUIREMENTS

Property Valuation

- Standard property valuation requirements for an appraisal waiver or appraisal apply.
- A $500 credit will be provided to borrower at closing if an appraisal was obtained for the transaction.

CONDO/PUD PROJECT REQUIREMENTS

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- Project does not appear in Condo Project Manager (CPM) as "unavailable"
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Usage

The RefiNow™ option may only be used one time.

Mortgage Insurance

All standard mortgage insurance requirements apply in accordance with the Selling Guide. **Mortgage Insurance coverage for RefiNow™ loans may be restricted to the mortgage insurer on the existing loan depending on Mortgage Insurance carrier's policies. We have been advised that both Arch and Radian have adopted this policy.** However, DU will identify the insurer that is currently providing coverage.