



# Announcement

## Announcement # 21-42

**Date:** 06/07/2021

### **Topic: Release of Fannie Mae RefiNow Option**

Effective with locks on or after June 7, 2021, PennyMac is pleased to announce the release of Fannie Mae's RefiNow Option. RefiNow offers expanded eligibility aimed to benefit low-income borrowers by refinancing an existing loan owned or securitized by Fannie Mae to a lower rate and reduced monthly mortgage payment.

Highlights of this program include:

- Fixed Rate, 97% max LTV, Rate and Term Refinance
- Owner-Occupied, One Unit only
- Borrower's income must be less than or equal to 80% of the applicable area median income for the subject property's location.
- The mortgage payment history for the loan being refinanced requires:
  - No 30-day mortgage delinquencies in the most recent six-month period (mths. 1-6), and
  - No more than one 30-day delinquency in months 7 through 12.
  - If the credit report has a payment break in the history being reviewed due to a forbearance, documentation of satisfactory payments must be provided.
- The existing loan being refinanced must be seasoned a minimum of 12 months and no more than 120 months old from the original note date to the new loan note date.
- A minimum \$50.00 reduction in the borrower's monthly payment and at least a .5% reduction in the borrower's new interest rate is required.
- Max DTI is 65% with a DU Approve/Eligible

Please see the Fannie Mae RefiNow Option Product Profile and Fannie Mae Lender Letter 2021-10 for complete details.

Until further notice, continue to lock these loans as a standard Conventional refinance loan and PennyMac will rebate the 50 basis point Adverse Market Fee if the loan is delivered with the RefiNow Option.

Please contact your Sales Representative with any questions.