

Announcement # 23-11

Date: February 14, 2023

Fannie Mae SEL 2023-01 Cash-Out Refinance Eligibility

Pennymac is aligning with the new eligibility policy for cash-out refinance transactions as announced in Fannie Mae SEL 2023-01.

Effective with note dates on or after 4/1/23, any existing first mortgage being paid off through the transaction must be at least 12 months old as measured from the note date of the existing loan to the note date of the new loan. This requirement does **not** apply

- When buying out a co-owner pursuant to a legal agreement

This change is in addition to the existing requirement that at least one borrower be on title to the subject property for at least six months prior to the disbursement date of the new loan. This is required unless eligible for any of the allowable exceptions. Refer to the Fannie Mae Product Profile for additional details.

The Fannie Mae DU message issued on cash-out refinance loan casefiles will be updated in a future release to reflect the updated requirement.

Note: these new requirements also apply to Pennymac AUS Jumbo Cash-Out transactions that are closed with a DU feedback certificate.

Please contact your Sales Representative with any questions.