

**Announcement # 25-08****Date:** January 17, 2025

## USDA Refinance Seasoning Period Update

On 12/19/2024, USDA announced a reduction to the seasoning period and updated housing payment requirements for refinance transactions. These changes may be implemented immediately but are required for loan applications dated on or after 1/23/25.

### Non-Streamlined Refinance

The seasoning period for a non-streamlined (rate & term) refinance has been reduced, allowing more borrowers to take advantage of refinance opportunities. No changes were made to housing payment history requirements.

- The existing USDA loan being refinanced must have closed at least 180 days prior to the request for Conditional Commitment (previously 12 months).
  - Seasoning is measured from the note date of the existing USDA mortgage being refinanced to the Conditional Commitment date of the new mortgage.
- The USDA loan being refinanced may not have any delinquencies within the previous 180-day period prior to Agency submission for Conditional Commitment.
  - If there is a delinquency in the prior 180 days, the seasoning period restarts from the delinquency date.

### Streamlined-Assist Refinance

The seasoning period for a Streamlined-Assist refinance have been reduced allowing more borrowers to take advantage of refinance opportunities. Housing payment history requirements were also updated.

### Seasoning:

To ensure compliance with both USDA and Ginnie Mae requirements, the following seasoning requirements will apply for Streamlined-Assist refinances:

- The request for Conditional Commitment must be at least 180 days after the note date of the USDA loan being refinanced; AND
- The following Ginnie Mae seasoning requirements also apply:
  - The borrower must have made at least six consecutive payments on the loan being refinanced as of the note date of the new loan, beginning with the payment made on the first payment due date; and
  - The first payment due date on the new loan must be no earlier than 210 after the first payment due on the loan being refinanced.
- For modified loans the following seasoning requirements apply:
  - The borrower must have made at least six consecutive payments on the modified loan being refinanced as of the note date of the new loan, beginning with the payment made on the modified first payment due date; and

- The first payment due date on the new loan must be no earlier than 210 days after the first payment due date of the modified loan.

**Housing Payment History:**

- The USDA loan being refinanced may not have any delinquencies within the previous 180-day period prior to Agency submission for Conditional Commitment.
  - If there is a delinquency in the prior 180 days, the seasoning period restarts from the delinquency date.

As a reminder, Rural Housing Streamlined refinances are ineligible for purchase by PennyMac.

Please contact your Sales Representative with any questions.