REFINANCE PROGRAM COMPARISON

Refi Now & HomeReady vs. Refi Possible & Home Possible

VERSION 3
11/2021

	Fannie Mae		Freddie Mac	
	Refi Now	HomeReady	Refi Possible	Home Possible
Existing Loan Eligibility	• Must be owned by Fannie Mae • Loan must be seasoned at least 12 months	• Must be owned by Fannie Mae only if LTV is 95–97% • Does not limit loan seasoning	• Loan being refinanced is seasoned at or under 10 years (Note Date to Note Date) • Minimum 12-month seasoning	• Minimum 30-day seasoning requirement (per Bulletin 2021-16)
New Loan Eligibility	• New loan amount may include cash out limited to ≤ $250 • Fixed-rate mortgage (FRM) only • 100% of AMI	• No limit on financing of closing costs/ prepaids • Max 2% or $2,000 cash back • May pay off subordinate financing • Permits FRMs under specific eligibility criteria	• Cash out limited to $250 • No existing secondary financing may be satisfied with proceeds • 80% of AMI	• Cash out limited to greater of 1% of new mortgage or $2,000 • Payoff of secondary financing allowable
Collateral & Property Valuation	• **Provide $500 lender credit** if appraisal obtained	• Does not provide an appraisal credit	• Standard property valuation — Automated Collateral Evaluation (ACE) or appraisal required • **A $500 credit** will be provided to the seller when an appraisal is obtained	• Standard property valuation — ACE or appraisal required
DTI	• **Max DTI 65%**	• Max DTI 50% for loans underwritten in DU, or DTI 45% for manually underwritten loans	• **65%** for LPA and manually underwritten mortgages	• Determined by LPA for LPA mortgages • 45% for manually underwritten mortgages • 43% for occupying co-borrower when a non-occupying borrower is on the mortgage
Pricing	• Standard LLPAs (no caps applied) • AMRF of 50 bps waived for UPB ≤ $300,000	• Waives LLPAs for LTV >80% and credit scores ≥680; caps LLPAs for other loans at 1.5% • AMRF waived for all HomeReady loans	• Standard credit fees in price	• Credit fees in price capped at 150 bps (see Exhibit 19) • Indicator score ≥680 and LTV >80% — no credit fee in price
Mortgage Insurance (MI)	• Standard MI requirements and coverage levels	• Reduced MI coverage for loans with LTV 90.01–97%	• Standard mortgage insurance coverage is required	• Standard MI coverage required for LTV 90% and lower • MI coverage of 25% required for LTV >90–97%