



# Announcement

## Announcement # 21-92

**Date:** November 4, 2021

### Topic: Fannie Mae LL-2021-10 Expanding Refinance Eligibility with RefiNow

PennyMac is aligning with the Fannie Mae updates announced in Lender Letter 2021-10 dated 10/20/21. Updates to the RefiNow option include but are not limited to those outlined in the below table with corresponding effective dates:

Fannie Mae RefiNow Eligibility Updates		
Effective Date	Current Requirements	NEW Requirements
Immediately	allows proceeds to pay financed closing costs, prepaid items and points <i>that do not exceed \$5,000</i>	allows proceeds to pay financed closing costs, prepaid items and points. Note: <i>no dollar limit is now specified</i>
	A <i>minimum \$50 reduction</i> in the borrower's monthly payment that includes principal, interest, and the mortgage insurance (if applicable) is required.	The requirement for a <i>reduction in the monthly mortgage payment of at least \$50 is removed</i> , though the borrower must still see some reduction in the monthly mortgage payment. Note: a reduction in interest rate of at least 50 basis points (0.5%) is still required.
DU Version 11.0 loan casefiles submitted or resubmitted on or after the weekend of 12/4/2021	The borrower's income must be less than or equal to <b>80%</b> of the applicable Area Median Income (AMI) for the subject property's location.	The borrower's income must be less than or equal to <b>100%</b> of the applicable AMI for the subject property's location.
	The existing loan being refinanced <i>must be no more than 120 months old from the original Note date to new Note date.</i>	The <i>maximum loan seasoning requirement of 120 months is removed.</i> Note: the requirement for the existing loan to be seasoned at least 12 months is still required.

Please contact your Sales Representative with any questions.