Fannie Mae®

Comparison of Fannie Mae's High Loan-to-Value (LTV) Refinance Option to Fannie Mae's DU Refi Plus and Refi Plus, including HARP®

The following table provides a high-level comparison of Fannie Mae's high LTV refinance option to DU Refi Plus and Refi Plus, including HARP[1], and is not meant to be comprehensive. For full program details, please refer to *Lender Letters LL-2017-05 and LL-2018-02* regarding the high LTV refinance option announcement and for DU Refi Plus and Refi Plus, including HARP to Fannie Mae's *Selling Guide*.

	DU Refi Plus and Refi Plus, including HARP	High LTV refinance option
Maximum LTV ratio	• No maximum LTV ratio for FRM • 105% LTV for ARM	• Same as DU Refi Plus and Refi Plus, including HARP
Minimum LTV floor	• 80.01% for loans refinanced through HARP	• Principal residence: 1 unit 97.01%, 2 unit 85.01%, 3-4 unit 75.01% • Second home: 1 unit 90.01% • Investment property 1 – 4 units 75.01%
MBS Pool Prefixes	• Fixed-rate loans with LTV ratios up to 105% can be included in TBA-eligible MBS • Fixed-rate loans with LTV ratios above 105% must utilize existing high LTV pool prefixes	• Same as DU Refi Plus and Refi Plus, including HARP
Eligible property types	• All property types permitted	• Same as DU Refi Plus and Refi Plus, including HARP
Amount of times a borrower may refinance under the programs	• One-time use	• Multiple use, although the minimum loan age requirement of 15 months applies each time a loan is refinanced • Borrowers previously refinanced through HARP are not eligible for a refinance of the HARP'ed mortgage through this program

[1] Fannie Mae has acquired HARP loans and other Refi Plus loans under its Refi Plus™ initiative since 2009. Fannie Mae's Refi Plus initiative offers refinancing flexibility to eligible borrowers who are current on their loans and whose loans are owned or guaranteed by the company and meet certain additional criteria. HARP loans, which have loan-to-value ("LTV") ratios at origination greater than 80 percent, refers to loans the company has acquired pursuant to the Home Affordable Refinance Program® ("HARP®"). Other Refi Plus loans, which have LTV ratios at origination of 80 percent or less, refers to loans the company has acquired under its Refi Plus initiative other than HARP loans. Loans the company acquires under Refi Plus and HARP are refinancings of loans that were originated prior to June 2009.

	DU Refi Plus and Refi Plus, including HARP	High LTV refinance option
Loan eligibility date (loan being refinanced)	• Loan being refinanced must have been originated on or before May 31, 2009	• Loan being refinanced must have been originated on or after October 1, 2017
Program expiration date	• Loans with application dates up to and including December 31, 2018. • All whole loans must be purchased by Fannie Mae on or before September 30, 2019, or included in MBS pools with issue dates on or before September 1, 2019.	• None
Loan age requirement	• None	• The loan being refinanced must have been originated at least 15 months prior to the date of the new mortgage loan. For example, if the note date on the existing loan is January 1, 2018, the note date on the new loan can be no earlier than April 1, 2019.
Loan payment history requirement	• For loans underwritten through Desktop Underwriter®, the borrower must not have one sixty-day delinquency in the last 12 months, and the loan must be current at the time of refinance. • For loans underwritten manually, the lender must determine that the loan is current and the borrower has not had any 30-day mortgage delinquencies on the mortgage being refinanced in the most recent six month period, and no more than one 30-day delinquency in the prior six months (months 7-12)	• The loan being refinanced must be current and the borrower must not have had any 30-day mortgage delinquencies in the most recent six month period, and no more than one 30-day delinquency in the prior six months (months 7-12)
Servicer requirement	• Either a current servicer or a new servicer may refinance the existing mortgage	• Same as DU Refi Plus and Refi Plus, including HARP
Solicitation practice	• Able to solicit borrowers to refinance under HARP	• Unable to solicit borrowers to refinance under this option, except in accordance with standard requirements per the *Selling Guide*
Mortgage Insurance Coverage Requirements	• If the loan being refinanced does not have mortgage insurance, mortgage insurance is not required on the new loan. • If the loan being refinanced has existing mortgage insurance, the existing mortgage insurance coverage must be continued on the new loan.	• Same as DU Refi Plus and Refi Plus, including HARP.
Adding borrowers to the mortgage	• Borrowers may be added to the mortgage	• Borrowers may not be added to the mortgage
Asset verification	• For loans underwritten through DU, one recent bank statement must be provided	• No assets need to be verified (except for Alternative Qualification Path, defined in *Lender Letter* *LL-2017-05* where applicable)

	DU Refi Plus and Refi Plus, including HARP	High LTV refinance option
	• For loans underwritten manually, either one recent [bank] statement must be provided, or in some cases no asset verification is required, depending on the amount of payment increase	

Employment and Income verification	• For loans underwritten through DU, verbal verification of employment, one paystub, and if tax returns are needed, one year is sufficient.
	• For loans underwritten manually for which the monthly payment is increasing less than or equal to 20%, verification of one income source or 12 months of Principal, Interest, Taxes, Insurance, Association dues (PITIA) in reserves.
	• For loans underwritten manually for which the payment increases greater than 20%, verbal verification of employment, one paystub, and if tax returns are needed, one year is sufficient.
		• Lender must obtain one of the following:
		  • Verbal verification of employment for employment or self-employment income;
		  • or documentation of another non-employment income source;
		  • or documentation of liquid financial reserves equal to 12 months of the new monthly housing payment.
		• Lenders are not required to assess continuity of income

Lender Representation & Warranties	• See Fannie Mae's *Selling Guide Section B5-5.2-01, DU Refi Plus and Refi Plus Eligibility*	• Same as DU Refi Plus and Refi Plus, including HARP

Pricing	• Standard pricing does not apply. Refer to the Refi Plus Mortgages Only Loan-Level Price Adjustment (LLPA) Matrix	• Standard LLPAs, subject to LLPA caps by transaction type, LTV, and loan term. The updated LLPA matrix defines a three-tier structure based on LTV ratios:
		  • For first-tier LTV ratios (loans with LTV ratios just above standard eligibility), the cumulative LLPAs in Tables 1 - 3 of the LLPA Matrix apply.
		  • For the intermediate and high LTV ratio tiers, LLPA caps apply based on the LTV ratio and amortization term. For these tiers, if the sum of all applicable LLPAs exceeds the applicable cap, the excess LLPAs will be waived at delivery.