Announcement 09-04 *March 4, 2009*

Amends these Guides: Selling

Home Affordable Refinance – New Refinance Options for Existing Fannie Mae Loans

Introduction

The Making Home Affordable program announced by the Department of the Treasury on March 4, 2009, includes a new initiative – Home Affordable Refinance – to provide refinance opportunities to borrowers with mortgages held or guaranteed by Fannie Mae. This initiative is for borrowers who have demonstrated an acceptable payment history on their mortgage but due to a decline in home prices or where mortgage insurance (MI) is not available, have been unable to refinance to obtain a lower payment or move to a more stable product. The Federal Housing Finance Agency (FHFA) has also provided greater flexibility to Fannie Mae to implement this refinance initiative.

Fannie Mae is announcing new refinance options to achieve the goals set out for this initiative and to incorporate additional flexibilities provided by FHFA. Importantly, the maximum loan-to-value (LTV) ratio for refinance mortgage loans under this initiative will be expanded to 105 percent, and MI requirements will be significantly relaxed to assist borrowers who have experienced home price declines.

This Announcement provides the details of the eligibility, pricing, and delivery requirements established to assist borrowers in refinancing into new loans with lower monthly payments or more sustainable mortgages in accordance with the Plan and FHFA's guidance.

Fannie Mae is eliminating the existing streamlined refinance options and introducing two new refinance options available only for existing Fannie Mae loans. The following streamlined refinance products introduced in Announcement 07-24, *Enhancements to Streamlined Refinance Products*, and Announcement 08-03, *Updates and Clarifications for Streamlined Refinance Products* will no longer be eligible for delivery to Fannie Mae after July 31, 2009:

- Streamlined Refinance – Option A (Fannie Mae to Fannie Mae refinance)
- Streamlined Refinance – Option A Select (Fannie Mae to Fannie Mae refinance)
- Streamlined Refinance – Option B (Government Sponsored Enterprise to Fannie Mae refinance)

New Refinance Options for Fannie Mae Loans

Fannie Mae is providing two new options that include new flexibilities for refinances of existing Fannie Mae-owned or -securitized loans that will allow borrowers the opportunity to take advantage of historically low interest rates, as well as other flexibilities provided by FHFA. Mortgage loans are eligible for delivery under these new refinance options on or after April 1, 2009 for whole loan or MBS deliveries.

DU Refi Plus™

DU Refi Plus is a refinance of an existing Fannie Mae loan by ***any lender using Desktop Underwriter® (DU®) for underwriting; the lender does not have to be the current servicer of the mortgage loan.*** As previously described in *Desktop Underwriter® (DU®) Version 7.1 April Update Release Notes* issued on February 4, 2009, DU Refi Plus leverages DU and provides new functionality to systematically identify existing Fannie Mae loans, and extend underwriting flexibilities and documentation efficiencies to eligible loan casefiles.

DU Refi Plus will be available for loan casefiles submitted to DU on or after the weekend of April 4, 2009 and will include the MI flexibility outlined in this Announcement for loans with an original LTV of 80 percent or less. The additional enhancements outlined in this Announcement and described in the *DU Version 7.1 May Update Release Notes* will be available in DU for loan casefiles submitted to DU on or after the weekend of May 2, 2009.

Lenders may begin to take advantage of these additional DU flexibilities prior to the weekend of May 2 by manually applying these flexibilities to DU Refi Plus loan casefiles submitted to DU after the weekend of April 4, 2009. Loan casefiles submitted to DU after the weekend of April 4 that receive an Ineligible recommendation can be delivered to Fannie Mae, and will be eligible for the DU limited waiver of underwriting representations and warranties, provided all of the following conditions are met:

- The loan is identified as a DU Refi Plus loan casefile.
- The only reasons for the Ineligible recommendation are the LTV/CLTV/HCLTV ratio(s) or minimum "representative" credit score.
- The loan complies with all of the guidelines specified in the *DU Version 7.1 May Update Release Notes*.
- The loan complies with all applicable terms of the DU limited waiver of representations and warranties, as outlined in Fannie Mae's *Selling Guide*.

Special Feature Code 147 must be included on the delivery file for all DU Refi Plus mortgage loans. DU Refi Plus mortgage loans with an LTV or CLTV greater than 95 percent *must not* be delivered with Flexible mortgage special feature codes.

For more details on DU Refi Plus, including the additional flexibilities outlined in this Announcement and the specific messages that will be issued by DU Version 7.1, refer to the updated *DU Version 7.1 April Update Release Notes*, and the *DU Version 7.1 May Update Release Notes*, both issued on March 4, 2009 and available on eFannieMae.com.

Refi Plus™ (*manual underwriting)*

Refi Plus is a refinance of an existing Fannie Mae mortgage loan by ***the current servicer of the loan and is available to all Fannie Mae approved lenders for manual underwriting.*** Refi Plus provides an efficient process for refinances that meet the following general criteria:

- The process relies on the information contained in the original fully-documented mortgage loan file and permits streamlined documentation flexibilities unless the lender chooses to obtain full documentation for the new mortgage loan.
- The lender (or an affiliate or subsidiary of the lender) must be the originator of the new mortgage and the servicer of the existing mortgage.
- Mortgage eligibility focuses on the borrower's financial stability demonstrated by their mortgage payment history.

Special Feature Code 288 must be included on the delivery file for all Refi Plus mortgage loans.

DU Refi Plus and Refi Plus Requirements

Many of the requirements are similar for both DU Refi Plus and Refi Plus. The following general guidelines apply to both DU Refi Plus and Refi Plus.

Required Borrower Benefit

These new refinance options are intended to assist borrowers by providing a benefit to ensure long-term homeownership sustainability. Specifically, by selling a DU Refi Plus or Refi Plus mortgage loan to Fannie Mae, the lender represents and warrants that the borrower is receiving a benefit in the form of either:

- a reduced monthly mortgage principal and interest payment; or
- a more stable mortgage product, for example, movement from an ARM to a fixed-rate mortgage. (Note: lenders are encouraged to provide fixed-rate mortgages to borrowers whenever possible).

Maximum LTV Ratio

The maximum LTV ratio for DU Refi Plus and Refi Plus is 105 percent. There is no maximum CLTV or HCLTV; however, new subordinate financing is not permitted in conjunction with a DU Refi Plus or Refi Plus transaction.

Note: The Eligibility Matrix posted on eFannieMae.com has been updated to reflect these refinance options.

MI Requirements

For new refinance transactions with an LTV ratio that exceeds 80 percent, MI may or may not be required depending on the current MI coverage on the existing loan. New refinance transactions with an LTV ratio less than 80 percent do not require mortgage insurance. The following additional MI requirements will apply.

Original LTV of existing loan	Existing loan has MI in force?	MI required for new refinance loan?
≤ 80%	No	No
> 80%	No, MI previously canceled or terminated per the *Selling* and *Servicing Guide* requirements	No
> 80%	Yes	Yes The level of MI coverage in force on the existing mortgage loan or standard MI coverage required in accordance with the *Selling Guide* **Note**: Lenders are encouraged to use their best efforts to obtain MI coverage that provides the lowest cost option available to the borrower. Lenders are required to fully comply with all MI requirements regardless of those established by Fannie Mae.

Lender-purchased mortgage insurance (LPMI) is permitted for DU Refi Plus and Refi Plus mortgage loans in accordance with the *Selling Guide*, Part V, Section 101.04: Lender-Purchased Mortgage Insurance.

The MI flexibilities outlined in this Announcement extend only through June 10, 2010 and will apply only to mortgage loans with note dates on or before June 10, 2010 that are delivered by October 31, 2010.

Lenders must utilize MI Code 95 at time of delivery for all refinance loans where the LTV is greater than 80 percent and no MI coverage is obtained.

Loan Level Price Adjustments (LLPAs)

For DU Refi Plus and Refi Plus mortgage loans, certain adjustments are being made to LLPAs based on the "representative" credit score, LTV ratio, and other features. These adjustments are detailed in Attachment 1 and apply to all DU Refi Plus and Refi Plus deliveries effective April 1, 2009.

A new Fannie Mae *Refi Plus Pricing Matrix* has been posted on eFannieMae.com to provide a comprehensive view of the pricing applicable to DU Refi Plus and Refi Plus loans only.

Note: The *Loan-Level Price Adjustment (LLPA) Matrix and Adverse Market Delivery Charge (AMDC) Information* on eFannieMae.com continues to apply to all other deliveries other than DU Refi Plus and Refi Plus.

Eligibility, Documentation, and Underwriting Requirements

Policy	Refi Plus	DU Refi Plus
Lender Eligibility	• The lender (or an affiliate or subsidiary of the lender) must be the originator of the new mortgage and must be the current servicer of the existing mortgage. • The new mortgage cannot be originated by a subprime affiliate or subprime correspondent lender, or originated by the lender on any subprime lending platform. The new mortgage must be from the lender's retail, prime lending channel only. • In accordance with the provisions of the *Selling* and *Servicing Guide*, Part I, Section 309: Questionable Refinancing Practices, the lender may not specifically target borrowers whose mortgages are owned or securitized by Fannie Mae for a new mortgage.	• Available to all Fannie Mae approved lenders using DU. • Available across all lending channels (retail, wholesale and correspondent). • In accordance with the provisions of the *Selling* and *Servicing Guide*, Part I, Section 309: Questionable Refinancing Practices, the lender may not specifically target borrowers whose mortgages are owned or securitized by Fannie Mae for a new mortgage.
Eligible Borrowers	• The borrower(s) on the existing mortgage (or the current borrower(s) if the existing mortgage was assumed) must be identical to the borrower(s) on the new mortgage. If one of the existing borrowers has died, or if the borrowers have divorced, the remaining borrowers will be eligible for the mortgage provided: – The remaining borrower(s) meets the mortgage payment history requirements below	• The borrower(s) on the existing mortgage must be identical to the borrower(s) on the new mortgage. • Borrower(s) may be added to the new loan, provided the existing borrower(s) is retained.

Policy	Refi Plus	DU Refi Plus
	and provides evidence that he or she has been making the payments on the existing mortgage from his or her own funds for the most recent 12 months prior to the origination of the new mortgage. This 12-month payment history must be on the existing mortgage, and may not be satisfied using multiple consecutive first mortgages. – The remaining borrower(s) provides evidence of the divorce from the previous borrower or of the previous borrower's death, as applicable. • A new borrower may be added to the new loan, provided the existing borrower(s) is retained. • If the existing mortgage was assumed by the current borrower(s) prior to the origination of the new Refi Plus mortgage loan, the current borrowers must have been qualified for the existing mortgage under the assumability criteria stated in the *Servicing Guide,* Part III, Section 408.03: Transfer under Existing Terms.	
Eligible Existing Mortgage Loans	• Fully documented mortgage loans originated and underwritten in accordance with the *Selling Guide,* or *Guide to Underwriting with DU*. • Existing mortgages that were underwritten through DU that received an Approve recommendation and were fully documented according to the original DU Underwriting Findings Report.	Mortgage loans that were delivered to Fannie Mae prior to March 1, 2009.

Policy	Refi Plus	DU Refi Plus
	• Mortgage loans that were previously streamlined refinance loans, i.e., originated under the prior guidelines for Streamlined Refinance Option A, Option A Select, or Option B, provided the documentation retention requirements outlined below are met.	
Ineligible Existing Mortgage Loans	• Mortgage loans that were not originated or underwritten in accordance with the *Selling Guide*, or *Guide to Underwriting with DU*. • Mortgage loans that received a DU Expanded Approval (EA), Refer with Caution/IV, or Ineligible recommendation in DU. • Subprime mortgage loans. • Alt-A mortgage loans. • Mortgage loans that are subject to any credit enhancement (e.g., full or partial recourse) other than borrower-paid or lender-paid mortgage insurance. • Mortgage loans that are currently subject to any outstanding repurchase request from Fannie Mae. • Reverse mortgage loans. • Second mortgage loans. • Government mortgage loans.	• Mortgage loans that are subject to any credit enhancement (e.g., full or partial recourse) other than borrower-paid mortgage insurance. • Mortgage loans that are currently subject to any outstanding repurchase request from Fannie Mae. • Reverse mortgage loans. • Second mortgage loans. • Government mortgage loans.
Maximum LTV Ratio	• Maximum LTV ratio of 105 percent for all occupancy and property types. • No maximum CLTV or HCLTV. • All existing subordinate financing must be resubordinated to maintain first lien priority of the new Refi Plus mortgage loan. • No new subordinate financing may be obtained as part of the new Refi Plus transaction.	Same
Occupancy	Occupancy of the property securing	Same

Policy	Refi Plus	DU Refi Plus
Type	a Refi Plus loan may be a primary residence, second home, or investment property.	
Property Type	All Fannie Mae-eligible property types are permitted.	Same
Eligible New Mortgage Loans	• Fully-amortizing fixed-rate mortgage loans with a term up to 40 years. • Fully-amortizing ARM loans with an initial fixed period of five years or greater with a term up to 40 years. • Mortgage loans that meet Fannie Mae's general loan limits and high-balance loan limits.	Same
Ineligible New Mortgage Loans	• ARM loans with initial fixed periods of less than five years. • Mortgage loans with an interest-only feature. • ARM mortgage loans with the potential for negative amortization. • Balloon mortgage loans. • MyCommunityMortgage® mortgage loans. • Texas 50(a)(6) mortgage loans. • Option ARM mortgage loans. • HomeStyle® Renovation mortgage loans prior to the completion of the property. • Jumbo-conforming mortgage loans.	Same
Loan Purpose	• Limited cash-out refinances only; however, existing purchase money subordinate financing may not be satisfied with the proceeds of the Refi Plus mortgage loan. • All existing subordinate financing must be resubordinated to maintain the first lien priority of the new Refi Plus mortgage loan. **Note**: All other guidelines for	Same

Policy	Refi Plus	DU Refi Plus
	limited cash-out refinances, as contained in the *Selling Guide*, Part VII, Section 103.02: Limited Cash-out Refinance Transactions, continue to apply.	
Credit History	• The existing mortgage must be current. • No minimum credit score required. • The borrower must meet the requirements of the *Selling Guide* with respect to the presence of a prior bankruptcy or foreclosure. The lender must determine whether these requirements are applicable by referring to the borrower's credit report and the borrower's statements in the "Declarations" section of the *Uniform Residential Loan Application* (Form 1003 or 1003(S)), and any other information that is made available to the lender in the new mortgage loan file, the original mortgage loan file, or while processing, underwriting, or closing the new mortgage loan.	• No minimum credit score required. • The borrower must meet the requirements for DU underwritten loans, including the mortgage delinquency, bankruptcy, and foreclosure policies.
Seasoning Requirements on the Existing Mortgage	No seasoning required.	Same
Multiple Mortgages to the Same Borrower	No limit. The requirements of the *Selling Guide* and Announcement 09-02, *Updates to Multiple Mortgages to the Same Borrower Policy, Reserve Requirements, Reserves Definition, and Form 3170* do not apply to Refi Plus mortgage loans except for the requirement of Forms 3170 and 3170.53. Special Feature Code 150 *must not* be delivered for Refi Plus mortgage loans.	Same

Policy	Refi Plus	DU Refi Plus
Condominium, Cooperative, and PUD Project Review	• Fannie Mae will rely on the project eligibility determination made by the lender when the original mortgage loan was delivered to Fannie Mae. • Lenders must use the following Project Type Codes at the time of delivery for Refi Plus loans secured by a property in a condominium project, cooperative project, or planned unit development: – V – for properties in a condominium project, – 2 – for properties in a cooperative project, or – E – for properties in a planned unit development.	• Lenders will not be required to perform a project review for condominium, cooperative, or PUD projects. The lender must confirm that the property is not in a condominium or cooperative hotel or motel. • The same Project Type Codes are required.
Property Valuation	Fannie Mae is revising the existing property valuation representation and warranty to state that the lender represents and warrants that the current value is not less than the value reflected in the original appraisal report upon sale of a Refi Plus loan to Fannie Mae. If the lender is not able to provide the representation and warranty, the following applies based on the LTV ratio of the new mortgage estimated by the lender: • For lender-estimated LTV ratios of 95% or less, an *Exterior-Only Inspection Residential Appraisal Report* (Form 2055) or *Uniform Residential Appraisal Report* (Form 1004) must be obtained to establish the current value • For lender-estimated LTV ratios over 95%, a Form 1004 must be obtained to establish the current value In cases when the lender does not obtain a new appraisal:	Lenders must comply with the property fieldwork requirements issued by DU. For certain DU Refi Plus eligible loan casefiles, DU will waive the requirement for an appraisal or exterior-only property inspection. Same

Policy	Refi Plus	DU Refi Plus
	• The lender must advise the borrower not to rely on the lack of an appraisal as assurance about the condition or value of the property. • The lender will not represent to the borrower or to any third party to the transaction that Fannie Mae or any third party performed a property review, appraisal or valuation of any sort. • The lender cannot charge the borrower a fee for an appraisal, a collateral review or any similar service as part of the new mortgage transaction. • The lender must comply with all applicable laws and regulations related to the origination and servicing of the new mortgage, including, but not limited to, the Homeowners Protection Act of 1998 (the "Act"). Certain borrower rights and lender obligations are based on the LTV ratio at the time of origination and at later dates. Lenders are advised to consult with their legal counsel with regard to establishing the "original value" as defined by the Act. In addition, the representation and warranty applicable to properties impacted by a natural disaster is also being revised. If the lender is aware that the property has been impacted by a natural disaster, or has knowledge that the property is located within a Federal Emergency Management Agency (FEMA) disaster area eligible for individual assistance within two years of the disaster declaration date, and the lender is relying on the value	Refer to *Appendix A: DU Refi Plus Property Fieldwork Waiver Additional Terms* of the *DU Version 7.1 April Update Release Notes* for additional terms that apply to mortgage loans on which the DU Refi Plus property fieldwork waiver is exercised. Refer to *Appendix A: DU Refi Plus Property Fieldwork Waiver Additional Terms* of the *DU Version 7.1 April Update Release Notes* for additional terms that apply to mortgage loans that are impacted by a natural disaster.

Policy	Refi Plus	DU Refi Plus
	reflected in the original appraisal report, upon sale of the Refi Plus loan to Fannie Mae the lender additionally represents and warrants there was no damage to the property.	
Documentation Requirements	The lender must obtain the following additional documentation: • A new executed *Uniform Residential Loan Application* (Form 1003 or 1003(S)) from the borrower with all information completed including borrower income, employment, and assets. • A new merged credit report with the borrower's "representative" credit score. Fannie Mae will use the new credit score for pricing purposes. Determination of the borrower's credit worthiness is based on the payment history of the existing mortgage as stated below. • A verbal verification of employment (VOE). For self-employed borrowers, the VOE must be obtained from a disinterested third party, such as a CPA or regulatory agency. In addition, the lender must independently verify the existence of the business, such as verifying a phone listing or obtaining a copy of a business license. Where the source of income is other than an employer or self employment the lender must confirm the source. • A new mortgage note, security instrument, and applicable riders and addenda are required for each new Refi Plus mortgage loan. Except as otherwise expressly provided under the Refi Plus	• Same • Same • Lenders must comply with the following documentation requirements issued by DU: – Salary/Bonus/Overtime: one current paystub and a verbal VOE of employment. – Commission/Self-Employment: one year's federal income tax return. • Same

Policy	Refi Plus	DU Refi Plus
	described herein, all other loan documentation requirements contained in the *Selling Guide* applicable to newly-originated mortgages apply.	
Underwriting Requirements	• All new mortgage loans originated under Refi Plus must be manually underwritten. • If a new mortgage loan has been submitted to DU for underwriting, the lender may not complete a Refi Plus transaction after the DU recommendation has been provided. In these instances, the lender must comply with the requirements outlined in the DU recommendation. • Lenders are not required to calculate the borrower's debt-to-income ratio to determine eligibility; rather the lender must determine that the borrower has a reasonable ability to repay the mortgage loan based on the current information provided by the borrower on the new mortgage loan application and the mortgage payment history on their existing mortgage being refinanced. The lender must determine that the borrower meets the mortgage payment history requirements based on the following: – When the borrower's new mortgage payment is the same or decreasing compared to existing mortgage payment the borrower must have no more than one 30-day delinquency on the existing mortgage in the lesser of 12 months or the life of the mortgage loan.	• All mortgage loans originated under DU Refi Plus must be underwritten through DU, and are not eligible for manual underwriting or underwriting through any other automated underwriting system. • DU Refi Plus loan casefiles will continue to be subject to the maximum allowable total expense ratio currently applied to all DU loan casefiles. DU Refi Plus loan casefiles that exceed the maximum allowable total expense ratio will receive an Ineligible recommendation.

Policy	Refi Plus	DU Refi Plus
	– When the borrower's new mortgage payment is increasing compared to existing mortgage payment the borrower must not have any 30-day delinquency on the existing mortgage in the lesser of 12 months or the life of the mortgage loan. • The loan file for the new mortgage must contain documented proof from the lender's servicing system (printed after the date of the borrower's new mortgage application and prior to the date of the new mortgage note) that evidences that the payment history requirements have been met.	

Documentation Retention Requirements for Refi Plus

The lender for the new Refi Plus mortgage loan must be the existing servicer, and have complete underwriting and servicing files, i.e., the full documentation loan file, including borrower and property information, and any subsequent streamlined refinance loan files. All previous loan files will become part of the application package for the new loan and must be retained for the life of the new mortgage loan.

If the loan being refinanced was assumed by the current borrower(s) at any time since the original borrower(s) was qualified, the credit documents used to qualify the current borrower(s) at the time of the assumption must be included as part of the new mortgage loan file.

Delivery Requirements for DU Refi Plus and Refi Plus

For DU Refi Plus and Refi Plus mortgage loans, lenders must provide all loan delivery data elements as indicated in the *Selling Guide*, Part VI, Chapter 2: Loan Delivery Data including:

- Special Feature Code 147 for DU Refi Plus or Special Feature Code 288 for Refi Plus;
- the borrower(s) "representative" credit score from a new merged credit report for pricing purposes;
- the CLTV (required for delivery even though no maximum will apply);
- MI code 95 if the LTV ratio is greater than 80 percent and no MI coverage is obtained; and
- the date of the mortgage note.

Effective Dates

Delivery of DU Refi Plus and Refi Plus

Fannie Mae will accept delivery of DU Refi Plus and Refi Plus mortgage loans as follows:

Delivery Method	Effective Date
Whole loans	Delivery dates on or after April 1, 2009
MBS	

The MI flexibilities outlined in this Announcement extend only through June 10, 2010 and will apply only to mortgage loans with note dates on or before June 10, 2010 that are delivered by October 31, 2010.

Delivery of Eliminated Streamlined Refinance Options

- Streamlined Refinance – Option A (Fannie Mae to Fannie Mae refinance)
- Streamlined Refinance – Option A Select (Fannie Mae to Fannie Mae refinance)
- Streamlined Refinance – Option B (Government Sponsored Enterprise to Fannie Mae refinance)

All mortgage loans originated using any of the eliminated Streamlined Refinance Options above must be delivered to Fannie Mae on or before July 31, 2009 and may not be used in conjunction with the enhanced flexibilities described in this Announcement. In conjunction with the elimination of these refinance options Special Feature Code 289 will be retired as of August 1, 2009.

****

Lenders who have questions about Announcement 09-04 should contact their Customer Account Team for additional information.

Michael A. Quinn
Senior Vice President
Single-Family Risk Officer

Attachment 1
Refi Plus Loan-Level Price Adjustments (LLPAs)

Certain LLPA adjustments are being made to all Refi Plus mortgage loans. The following matrices identify the changes to LLPAs that apply **only** to DU Refi Plus and Refi Plus mortgage loans originated in accordance with the terms of this Announcement. These matrices will be incorporated into the new comprehensive *Refi Plus Pricing Matrix,* which also includes the Adverse Market Delivery Charge (AMDC) that will apply to all Refi Plus mortgage loans.

The LLPAs and AMDC will apply to all deliveries of DU Refi Plus (Special Feature Code 147) and Refi Plus (Special Feature Code 288) on or after April 1, 2009.

LLPA by Credit Score/LTV

- The LLPA table below replaces Table 2 of Fannie Mae's *Loan-Level Price Adjustment (LLPA) Matrix and Adverse Market Delivery Charge (AMDC) Information* (LLPA Matrix) on eFannieMae.com.
- Highlighted areas show where LLPAs differ from Table 2, including expanding the maximum LTV to 105%.

Representative Credit Score	LTV Range[1]								
	≤ 60.00%	60.01 – 70.00%	70.01 – 75.00%	75.01 – 80.00%	80.01 – 85.00%	85.01 – 90.00%	90.01 – 95.00%	95.01 – 97.00%	97.01 – 105%
> 740	-0.25%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
720 – 739	-0.25%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
700 – 719	-0.25%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
680 – 699	0.00%	0.50%	0.75%	0.75%	0.75%	0.75%	0.75%	0.50%	0.50%
660 – 679	0.00%	1.00%	1.50%	1.75%	1.75%	1.75%	1.75%	1.25%	1.25%
640 – 659	0.50%	1.25%	2.00%	2.25%	2.25%	2.25%	2.25%	1.75%	1.75%
620 – 639	0.50%	1.50%	2.50%	2.75%	2.75%	2.75%	2.75%	2.50%	2.50%
< 620	0.50%	1.50%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

[1] LLPAs are not applicable to mortgage loans with terms of 15 years or less.

In support of these reduced LLPAs, lenders are expected to pass on the reduced LLPAs (versus the higher standard fees that currently apply) to eligible borrowers that have not yet closed on their mortgage loan that are delivered as a Refi Plus mortgage loan.

LLPA by Product Feature

- The LLPA table below amends Table 3 of the LLPA Matrix.
- Highlighted areas show where the product feature LLPA differs from Table 3 due to expanding the maximum LTV ratio to 105%.

LLPAs are Cumulative	**LTV Range**								
Feature	**≤ 60.00%**	**60.01 – 70.00%**	**70.01 – 75.00%**	**75.01 – 80.00%**	**80.01 – 85.00%**	**85.01 – 90.00%**	**90.01 – 95.00%**	**95.01 – 97.00%**	**97.01 – 105%**
ARM	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.25%	0.25%	0.25%
High-balance mortgage loans - ARM	0.75%	0.75%	0.75%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
40-year term (MBS only)	0.125%	0.125%	0.125%	0.125%	0.125%	0.125%	0.125%	0.125%	0.125%
Manufactured Home	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Condominium and Cooperative Properties[1]	0.00%	0.00%	0.00%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%
Investment property	1.75%	1.75%	1.75%	3.00%	3.75%	3.75%	3.75%	3.75%	3.75%
2 unit Property	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
3-4 unit Property	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
High LTV[2]	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.50%	1.00%

[1] LLPAs are not applicable to mortgage loans with terms of 15 years or less
[2] Applies in lieu of "Streamlined Refinance Mortgages Option A or A Select" feature in Table 3 of the LLPA Matrix.

LLPA for Expanded Approval

- The LLPA table below amends Table 8 of the LLPA Matrix.
- Applies to loans with Expanded Approval recommendations (eligible under DU Refi Plus only; not applicable to Refi Plus).
- Maximum LTV ratio is expanded to 105%.

Expanded Approval (SFC 716)	LTV Range								
	≤ 60.00%	60.01 – 70.00%	70.01 – 75.00%	75.01 – 80.00%	80.01 – 85.00%	85.01 – 90.00%	90.01 – 95.00%	95.01 – 97.00%	97.01– 105%
≥ 740	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.50%	0.50%
720 – 739	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.75%	0.75%
700 – 719	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.75%	0.75%
680 – 699	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	1.00%	1.00%
660 – 679	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	1.00%	1.00%
640 – 659	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	1.25%	1.25%
620 – 639	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	1.25%	1.25%
< 620	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.75%	1.75%

LLPA for Mortgages with Subordinate Financing

- This LLPA is established to reflect the identical LLPA that applied to the eliminated Streamlined Refinance Options with CLTVs in excess of 95 percent, i.e., "Flexible Mortgages with subordinate financing (non-Community Seconds)." See Table 7 of the LLPA Matrix.
- Because Expanded Approval loans are now eligible under DU Refi Plus, the LLPA below also subsumes the LLPA for "EA with High CLTV (loans with subordinate financing only)." See Table 8 of the LLPA Matrix.
- Note that Expanded Approval recommendations are only applicable to DU Refi Plus and not Refi Plus.
- LLPAs in Table 4 of the LLPA Matrix apply to other LTV/CLTV ranges for DU Refi Plus and Refi Plus loans with subordinate financing.

LTV/CLTV Range	LLPA
CLTV > 95%	1.50%

*****

Refer to eFannieMae.com for the *Refi Plus Pricing Matrix* and the updated LLPA Matrix.