

## DU Refi Plus Loan Program

The **DU Refi Plus** program is a Rate-and-Term Refinance Program for borrowers with existing Fannie Mae loans. The program provides underwriting flexibility, expanded eligibility criteria, and reduced documentation requirements as compared to standard FNMA refinance transactions.

### Summary

Automated Underwriting	Desktop Underwriter <u>required</u> with “Approved/Eligible” response only. DU must identify the program as a DU Refi Plus case file.		
Product Types	30-year Fixed 15-year Fixed		
Max Loan Amounts	Conforming and High Balance Loan Amounts <sup>1</sup>		
Max Debt Ratio	55% <sup>2</sup>		
Max LTV	105%		
Max CLTV	110%		
Minimum Credit Score	Primary Residence	2nd Home	Investment
	620	680	680

<sup>1</sup> State/County limits may vary and can be found at <https://entp.hud.gov/idapp/html/hicostlook.cfm>

<sup>2</sup> DU Approved/Eligible exceeding 55% debt ratio considered on case-by-case basis

### General Requirements

Borrowers	<p>All borrowers on the existing loan must remain on the new loan. Exceptions will be made to remove a borrower under the following circumstances:</p> <ul style="list-style-type: none"> <li>• Borrower is deceased (evidence of death must be provided)</li> <li>• Borrowers are divorced (evidence must be provided)</li> <li>• Removed borrowers must also be removed from the deed</li> <li>• Remaining borrower(s) can demonstrate that they have been making payments from their own funds for the prior 12 months</li> </ul> <p>New borrowers can be added the loan whether they occupy the property or not.</p> <p><b>Ineligible:</b></p> <ul style="list-style-type: none"> <li>• Borrowers who are related to or employed by the submitting broker, regardless of job function.</li> <li>• Trusts, corporations, LLC’s, and other non-individual entities</li> </ul>
Existing Loan	<p>Existing 1<sup>st</sup> lien loan was purchased or guaranteed by Fannie Mae prior to June 1, 2009 and cannot have outstanding FNMA repurchase request or temporary interest rate buydowns. Maximum \$250 cash back to borrower (no exceptions). New loan must provide at least one of the following benefits to borrower(s):</p> <ul style="list-style-type: none"> <li>• Reduces monthly mortgage principal and interest payment</li> <li>• More stable loan product (e.g. Refinance ARM with Fixed loan)</li> </ul>
Impounds	Required if LTV exceeds 80% unless state law supercedes
Income Documents	<p>As required by DU with the following minimum requirements:</p> <ul style="list-style-type: none"> <li>• Salaried borrowers – Latest paystub with most recent 30 days and YTD earnings, prior year W2 and Verbal VOE.</li> <li>• Commission/Self-Employed – Most recent tax return covering full year with all schedules</li> <li>• Commission/Self-Employed – Verification of existence of business by 3<sup>rd</sup> party &amp; verify phone listing from acceptable source (Required within 30 days of closing)</li> <li>• Signed 4506-T for all borrowers at submission is required.</li> </ul>
Max Financed Properties	Borrowers limited to four financed properties including the Primary Residence and any jointly obligated properties.
Mortgage Insurance	If MI is required by DU, the loan is not eligible.
Reserves	As determined by DU
Subordinate Financing	<p>Existing subordinate financing must be subordinated to new 1<sup>st</sup> lien or paid off with borrowers own funds and cannot be paid through loan proceeds. New Subordinate Financing is not allowed.</p>

**Credit Requirements**

Bankruptcy	None allowed last 4 years (or as determined by DU if more restrictive requirement applies). No multiple bankruptcy filings allowed in last 7 years and subject to individual evaluation regardless of the credit score.
Collection Chargeoffs Judgments	Follow DU findings.
Foreclosure / Deed in Lieu / Short Sale	None allowed in last 7 years or as determined by DU (most restrictive guideline applies).
Mortgage Rating	No late payments in past 12 months – Minimum 12-month payment history.

**Property Requirements**

Appraisal	Follow DU findings to determine if Appraisal is required or it can be waived. Refinances of properties where the most recent transaction was an REO sale are not eligible for a Property Inspection Waiver. For Investment properties, appraisal amounts less than \$100,000, the appraisal cannot be waived and a 2 <sup>nd</sup> appraisal is required. The Property Inspection Waiver (PIW) is not allowed on any property located in an area that has recently experienced natural disaster or is in a FEMA declared disaster area.
Property and Occupancy	<p><b>Eligible:</b></p> <ul style="list-style-type: none"> <li>• 1-4 unit Primary and Investment residences<sup>3</sup></li> <li>• 1-unit Second Homes<sup>4</sup></li> <li>• PUDs and Condominiums<sup>5</sup></li> <li>• Fee Simple and Leasehold properties</li> <li>• Rural -- Maximum 10 acres (40 acres in Montana)</li> </ul> <p><sup>3</sup> Owner-occupied 2-4 Units and Investment properties require 6 months rent loss insurance if rental income is used to qualify  <sup>4</sup> Ineligible if borrower already owns Second Home or investment in the same Geographic location as subject property  <sup>5</sup> Must ensure that property is not a condotel or hotel conversion.</p> <p><b>Not Eligible:</b></p> <ul style="list-style-type: none"> <li>• Condominiums in Florida and Nevada</li> <li>• Condotels</li> <li>• Co-ops</li> <li>• Existing Investment property cannot be refinanced as a Primary Residence</li> <li>• Manufactured Housing</li> <li>• Mixed-use properties</li> <li>• Properties in Texas</li> </ul>

Note: If not explicitly mentioned above, standard FNMA guidelines apply.