

High Loan-to-Value Refinance Option

The high loan-to-value (LTV) refinance option provides refinance opportunities to borrowers with existing Fannie Mae mortgages who are making their mortgage payments on time but whose LTV ratio for a new mortgage exceeds the maximum allowed for standard limited cash-out refinance options in the *Selling Guide*.

Borrower Benefit

Borrowers **must** benefit from the refinance in **at least one** of the following ways:

- Reduced monthly principal and interest payment
- Lower interest rate
- Shorter amortization term
- More stable mortgage product, such as moving from an adjustable-rate mortgage to a fixed-rate mortgage

Eligibility

- Only an existing Fannie Mae mortgage may be refinanced to a new Fannie Mae mortgage.
- The Note Date of the mortgage being refinanced must be on or after Oct. 1, 2017.
- At least 15 months have passed between the Note Date of the mortgage being refinanced and the Note Date of the high LTV refi mortgage.
- Borrowers must be current with their payments and have:
 - No 30-day delinquencies in the most recent six months, and
 - No more than one 30-day delinquency in the past 12 months and no delinquency greater than 30 days.
- The mortgage being refinanced must not have been previously delivered as a Fannie Mae DU Refi Plus® or Refi Plus® mortgage.
- Borrowers can refinance using the high LTV refinance option more than once as long as all other requirements, including seasoning, are met.

Minimum LTV Ratios		
Principal Residence	1 Unit	97.01%
	2 Units	85.01%
	3-4 Units	75.01%
Second Home	1 Unit	90.01%
Investment Property	1-4 Units	75.01%

Features

- **Mortgage insurance** (MI) must be transferred to the new loan. If MI is not in place for the loan being refinanced, it is not required for the new loan if all other eligibility requirements are met.
- **Simplified documentation requirements** for employment, income, and assets.
- **Both DU and manual underwriting options** are available to the same or a new servicer. Manual underwriting may be necessary in certain scenarios.

Delivery

Deliver with the applicable high LTV refinance option [Special Feature Code](#).

Learn more | For more information, visit <https://www.fanniemae.com/singlefamily/high-ltv-refinance-option> and refer to the [Selling Guide](#).

**High LTV Refinance Option
Temporarily Paused**

Due to the low volume and impact of the Revised QM Rule, we are temporarily pausing the acquisition of high LTV refinance loans. We will communicate any changes to the terms of this product in a future *Selling Guide* update.

Effective dates: All DU and manually underwritten high LTV refinances must have application dates on or before **June 30, 2021** and must be purchased or securitized on or before **Aug. 31, 2021**.

[Read the Lender Letter](#)