

HomeStyle® Refresh Eligibility Matrix

The HomeStyle Refresh mortgage empowers lenders to offer a simple, flexible financing solution for homeowners looking to improve or renovate a property, whether purchasing or refinancing. With no special lender approval required before improvements are completed, lenders can deliver loans faster and more efficiently. HomeStyle Energy Refresh may be a more affordable financing solution than a subordinate lien, home equity line of credit, Property Assessed Clean Energy (PACE) loan, or unsecured loan. (Refer to Selling Guide section B5-3.4.01, which discusses Fannie Mae's restrictions on PACE loans.)

Simple Options

- Finance improvements up to 15% of the “as-completed” appraised property value of the home.
- Support for diverse renovation needs, from cosmetic updates to essential repairs.
- Offer a competitive alternative to high-cost improvement loans.
- Pay off energy-related improvement debt, including PACE loans.

Learn More

Additional resources are available to help lenders implement HomeStyle Refresh. Visit our website for fact sheets, FAQs, and other resources.

Lender Eligibility	The HomeStyle Refresh mortgage is open to all Fannie Mae-approved lenders; no special approval required.
Financing Improvements	Up to 15% of “as-completed” appraised property value.
Loan Purpose	Purchase or limited cash-out refinance (LCOR).
Loan Type/Term	15- and 30-year FRMs and all eligible ARM products.
Occupancy and Property Eligibility	<ul style="list-style-type: none"> • All one- to four-unit existing properties are eligible. • Manufactured homes are eligible provided the improvements do not include structural changes. • All occupancy types are permitted.
LTV, CLTV, and HCLTV Ratios	The standard LTV, CLTV, and HCLTV ratios apply per the Eligibility Matrix up to a maximum LTV ratio for fixed-rate mortgages on one-unit, principal residence, purchase, and limited cash-out refinance transactions underwritten through Desktop Underwriter® (DU®).
Product Eligibility	<ul style="list-style-type: none"> • May be used in combination with all Selling Guide products and transactions, including high balance and HomeReady®, except DU Refi Plus™ and Refi Plus™, which are not permitted. • Proceeds from Community Seconds®, down payment assistance programs, and grants can be applied toward improvements if permitted under the program parameters.



Eligible Renovations	<ul style="list-style-type: none">Any type of renovation or repair is eligible, as long as it is permanently affixed to the property, with the exception of certain appliances installed with kitchen and utility room remodels.This includes, but is not limited to:<ul style="list-style-type: none">Kitchen or bathroom updatesConstruction of outdoor buildings and structures when allowed by local zoning regulations, including but not limited to swimming pools, decking, screening and porch, patio additionsAdding or renovating an accessory dwelling unitImprovements or repairs related to damage from a disaster or improvements to protect the property from future disasterEnvironmental hazard damage repairs or resiliency improvements, including asbestos, lead, mold, and radonEnergy- or water-efficiency improvements
Completion Timeframe	Improvements should be completed within 180 days of the note date.
Lender Responsibilities	<ul style="list-style-type: none">Evaluate property, borrower, and transaction eligibility.Ensure the appraiser is provided with a copy of the plans and specs for the intended improvements and obtain an appraisal based on the “as-completed” property value.Administer the escrow account (including preparing an escrow agreement).Monitor completion of the work and maintain appropriate documentation.Ensure that the improvements are completed within 180 days of the date of the mortgage note.Obtain a final title report or an endorsement that establishes Fannie Mae’s lien priority if the final title report is issued prior to completion of the improvements.Any funds remaining at the end of the escrow period must be used to reduce the loan balance.
Appraiser Responsibilities	<ul style="list-style-type: none">Determine the “as-completed” property value subject to the improvements being completed.Verify the improvements are completed, including photographing the completed improvements.
Underwriting Considerations	<ul style="list-style-type: none">Can be underwritten manually or through DU.
Contingency Reserves	A contingency fund is not required, but lenders may choose to include a contingency reserve up to 20% of the total renovation costs.



Lender Recourse	<ul style="list-style-type: none">• Loans will be delivered with recourse.• Upon proof of completion, lenders will submit for recourse removal through Loan Quality Connect™ (LQC™).
Special Feature Code	<ul style="list-style-type: none">• SFC 892 must be provided when delivering the loan.• Note: These loans may qualify for an LLPA waiver for Duty to Serve. See Duty to Serve eligibility requirements for details.