

MPF Announcement:

2021-80

Date:

November 10, 2021

Alert:

Clarification

New Policy

Policy Update

Reminder

Training Information

Audience:

Compliance/Legal

Program Management

Origination

Quality Control

Servicing

Underwriting

Product:

MPF Direct

MPF Government MBS

MPF Traditional

MPF Xtra[®]

Effective Date:

Immediately (unless otherwise noted)

MPF Xtra Selling Guide Updates

Fannie Mae recently published an update to Lender Letter [LL-2021-10](#), expanding the eligibility for the RefiNow option, which includes the following updates:

- Increased the Borrower income limit to allow up to 100% of the applicable AMI limit.
- Eliminated the maximum loan seasoning requirement of 10 years.
- Removed the \$5,000 cap on the financing of closing costs, prepaid items, and points.
- Allowing any reduction to the monthly mortgage payment instead of requiring a minimum reduction of \$50.

As previously announced in [MPF Announcement 2021-40](#), the MPF Program will accept delivery of RefiNow loans that meet the Fannie Mae requirements outlined in Lender Letter LL-2021-10 and the Fannie Mae Guides under MPF Xtra.

As a reminder, in order for RefiNow to be delivered into the MPF Program, PFIs will need to follow the additional guidelines and operation details provided below:

- Please note that the MPF Program has opted to place a Desktop Underwriter (DU[®]) requirement on all MPF Xtra RefiNow deliveries. Although FNMA's guidelines allow for the use of manual underwriting, the MPF program will require a Desktop Underwriter (DU[®]) Approve/Eligible AUS recommendation for all RefiNow loans sold into MPF Xtra.

Reference

[Fannie Mae Lender Letter LL-2021-10](#)

Please note you can access the [MPF Guides](#) and [MPF Announcements](#) on our [MPF Website](#).

Visit the [MPF Website](#) to review and register for upcoming complimentary [MPF Webinars](#).

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- All RefiNow loans must be delivered with a Special Feature Code of 868 in the ULDD XMI file.
- Should the loan not be eligible for an appraisal waiver, the appraisal cost credit intended to be given back to the borrower will appear in the “Investor Fees” field of the “Transaction Confirmation and Loan Funding Activity Report” sent at the time of loan funding. Please expect this credit to be added back to the Investor Fees (also known as Loan Level Price Adjustments) that may have been assessed to the loan funding.
- Standard Delivery Commitments (Fixed 30 Yr, Fixed 15, etc.) as well as Low Loan Balance Subproducts (Fixed 30 Yr 200K Max Ln Amt for example) can be utilized for the RefiNow product. Please note that 10 Yr Delivery commitments are available, but will require calling into the MPF Service Center to execute.
- At this time, loans with a total debt-to-income ratios greater than 50% will require assistance by calling the MPF Service Center.
- In an effort to help inform users of potential eligibility concerns and uphold data integrity, rules have been implemented and, if triggered, will display on the “Batch Errors Report” that is retrievable within the eMPF website. For questions on those errors, please contact the MPF Service Center for assistance.

To gain a full understanding of these topics, PFIs should review the entire Fannie Mae Announcement and any applicable Fannie Mae Selling Guide chapters, forms, or exhibits noted in the announcements.