



first community mortgage



# WHOLESALE ANNOUNCEMENT 2023-3

January 18, 2023

## Freddie Mac & Fannie Mae Cash-Out Refinance Updates

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### **Effective Date**

Effective for loans with funded dates on or after February 1, 2023

### **Guideline Updates:**

#### **Freddie Mac and Fannie Mae**

- When proceeds of a cash-out refinance Mortgage are used to pay off a First Lien Mortgage, the First Lien Mortgage being refinanced must be seasoned for at least 12 months (i.e., at least 12 months must have passed between the Note Date of the Mortgage being refinanced and the Note Date of the cash-out refinance Mortgage), as documented in the Mortgage file
  - The seasoning requirement does not apply when:
    - The cash-out refinance Mortgage is a special purpose cash-out refinance Mortgage or
    - The First Lien Mortgage being refinanced is a Home Equity Line of Credit (HELOC)
- For loans with an existing lock which falls under these parameters with an anticipated funding date after February 1, please reach out to Retta Gardner

The links to the Guidelines are posted on the [\*\*Wholesale Knowledge Center\*\*](#)

**Should you have any questions, please reach out to your Account Executive or Client Manager**