



WHOLESALE ANNOUNCEMENT 2025-4

January 23, 2025

Fannie Mae Update

Effective Date

Effective immediately

Guideline Update:

Limited cash-out refinances

- Fannie Mae added two additional exceptions to their requirement that at least one borrower is an owner (on title) of the subject property at the time of the initial application for a limited cash-out refinance. The following, additional exceptions are permitted if the lender documents:
 - The borrower on the new loan is currently financially obligated on the loan being paid off. Ownership must be transferred to the borrower(s) at time of closing.
 - The borrower is paying off an installment land contract that was executed more than 12 months prior to the application for the refinance.
- Fannie Mae also clarified the payoff of an installment land contract executed more than 12 months prior to the loan application is an acceptable use of a limited cash-out refinance transaction.

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