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WHOLESALE ANNOUNCEMENT 2026-97
November 17, 2026
Freddie Mac Update

Effective Date
Effective Immediately

Update:
Equity Buyout Refinance Mortgages

Special purpose cash-out refinance Mortgages, used to buy out the equity of a co-owner, have been reclassified from cash-out to "no cash-out" transactions and renamed equity buyout refinance Mortgages. The requirements have been relocated from Guide Section 4301.6 to Section 4301.4 and updated as follows:

- Broadened eligibility, including all loan-to-value ratios, underwriting requirements and affordable programs that are currently available for "no cash-out" transactions
- Updated requirements to specify that proceeds must first be used to buy out the ownership interest of the co-owner(s) and then may be used for any purpose listed in Section 4301.4(a)
- Updated existing 12-month joint ownership requirement to include Seller retention of supporting documentation
- Removed prior joint occupancy requirement for Borrower and co-owner
- Added specificity outlining existing special delivery requirements. For all equity buyout refinance Mortgages, the

Seller must deliver ULDD Data Point Investor Feature Identifier (Sort ID 368) valid value "203".

For Sellers approved to submit appraisal reports using Uniform Appraisal Dataset (UAD) 2.6, when documenting verification of completion of the Mortgaged Premises, Sellers should refer to Section 5605.8 in effect prior to November 2, 2026.

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

EQUAL HOUSING LENDER
NMLS# 629700