



Streamlined Refinance Mortgage

Reach More Borrowers With an Easy Refinance Mortgage

When Freddie Mac owns the mortgage being refinanced, our Streamlined Refinance Mortgage helps you reach more borrowers with a refinancing option that provides greater stability for the long-term.

With this mortgage solution, you can offer LTV ratios up to 95 percent and the ability to roll all closing costs, financing costs and prepaids/escrows into the refinance mortgage. For added flexibility you can also provide cash back to the borrower up to 2 percent of the refinance mortgage amount or \$2,000, whichever is less.

> Borrower Profile

- Borrowers looking to lower their rate and payment
- Borrowers who want to refinance from an ARM to a fixed-rate mortgage
- Borrowers whose existing mortgage is currently being serviced by their lender

> Key Features

- Must be manually underwritten
- Maximum LTV ratio up to and including 95 percent
- Roll in closing costs, financing costs, and prepaid items
- Disburse cash back to the borrower up to 2 percent of the refinance mortgage amount or \$2,000, whichever is less
- Principal and interest payment may be up to 20 percent greater than the mortgage being refinanced

> Borrower Benefits

- Lower mortgage rate
- Reduce or eliminate up front costs by financing related closing costs and prepaids/escrows
- Provide reduced timelines for refinancing
- Refinance from an ARM to the security of a fixed-rate mortgage

MORTGAGE BEING REFINANCED ELIGIBILITY REQUIREMENTS	
General Eligibility Requirements	<ul style="list-style-type: none"> ▪ The mortgage being refinanced must: <ul style="list-style-type: none"> ○ Be a first-lien, conventional mortgage currently owned by Freddie Mac, in whole or in part, or securitized by Freddie Mac ○ Be serviced by the Seller, or an affiliate of the Seller, originating the Freddie Mac-owned Streamlined Refinance Mortgage ○ Be seasoned for at least three months ○ Have met Freddie Mac's eligibility requirements in the Guide as of the note date, including but not limited to, credit, underwriting, collateral and appraisal requirements, and was: <ul style="list-style-type: none"> ▪ An Accept mortgage, or ▪ A manually underwritten mortgage conforming to Freddie Mac Guide requirements ▪ Not an A-minus Mortgage
Mortgage Payment History	<ul style="list-style-type: none"> ▪ The mortgage being refinanced has been current for the most recent 90 days and has not been 30 days delinquent more than once in the most recent 12 months, or if the mortgage being refinanced is seasoned for less than 12 months, since the mortgage note date.
STREAMLINED REFINANCE MORTGAGE ELIGIBILITY REQUIREMENTS	
Borrower Benefit	<ul style="list-style-type: none"> ▪ A Freddie Mac-owned Streamlined Refinance Mortgage must be originated for one or more of the following purposes: <ul style="list-style-type: none"> ○ A reduction in the interest rate of the first-lien mortgage ○ A reduction in the amortization term of the first-lien mortgage ○ To replace an ARM, an Initial InterestSM Mortgage or balloon/reset mortgage with a fixed-rate, fully amortizing mortgage
Eligible Property Types	<ul style="list-style-type: none"> ▪ 1- to 2-unit primary residences ▪ 1- unit second homes provided the mortgage being refinanced was underwritten and sold to Freddie Mac as a second-home mortgage
Eligible Mortgages	<ul style="list-style-type: none"> ▪ 15-, 20-, and 30-year fixed-rate mortgages ▪ 5/1, 7/1, 10/1 ARMs ▪ Super conforming mortgages ▪ If the mortgage being refinanced is a fixed-rate mortgage, the Streamlined Refinance Mortgage may not be an ARM
Ineligible Mortgages	<ul style="list-style-type: none"> ▪ A-minus Mortgages ▪ Balloon/reset mortgages ▪ Cash-out refinance mortgages ▪ FHA/VA mortgages ▪ Home Possible[®] Mortgages ▪ Initial Interest[®] Mortgages ▪ Investment Property Mortgages ▪ Mortgages for Newly Constructed Homes ▪ Mortgages with negative amortization ▪ Mortgages secured by manufactured homes ▪ Mortgages secured by 3- to 4-unit properties ▪ Mortgages with temporary subsidy buydowns ▪ Restructured Mortgages ▪ Section 502 Guaranteed Rural Housing Mortgages ▪ Section 184 Native American Mortgages ▪ Special purpose cash-out refinance mortgages
Maximum LTV Ratio	<ul style="list-style-type: none"> ▪ Max. LTV ratio without secondary financing: 95% ▪ Max. LTV ratio with secondary financing: 90% ▪ Max. TLTV ratio with secondary financing: 95% ▪ Max. HTLTV ratio with secondary financing: 95% <p>See Guide Chapter L33.3 for maximum LTV requirements for super conforming mortgages.</p>
Underwriting Requirements	<ul style="list-style-type: none"> ▪ Must be manually underwritten ▪ Any previous representation and warranty relief relating to submission of the mortgage being refinanced to Loan Prospector[®] does not apply to Streamlined Refinance Mortgages ▪ Minimum Indicator Score of 620 ▪ Verification of income and employment is not required ▪ The principal and interest payment on the Streamlined Refinance Mortgage must not be more than 20 percent greater than the principal and interest payment most frequently made by the borrower in the most recent 12 months, or since the note date of the mortgage being refinanced if the mortgage is seasoned for less than 12 months. ▪ The borrower(s) on the Streamlined Refinance Mortgage must be the same as the borrower(s) on the mortgage being refinanced except: <ul style="list-style-type: none"> ○ A borrower who contributed no qualifying income, assets or reserves to the mortgage being refinanced may be omitted ○ For mortgages that are being refinanced and are seasoned at least 12 months, a borrower may be omitted due to divorce or death, subject to certain conditions

Refinance Proceeds	<ul style="list-style-type: none"> ▪ Proceeds from the Streamlined Refinance Mortgage may only be used for: <ul style="list-style-type: none"> ○ Pay off the first mortgage ○ Pay related closing costs, financing costs and prepaid/escrows ○ Disburse cash out to the borrower (or any other payee) up to 2 percent of the refinance mortgage or \$2,000, whichever is less. ▪ Proceeds may not be used to pay off or pay down any junior liens. ▪ The Streamlined Refinance Mortgage amount may not exceed the original mortgage amount.
Secondary Financing	<ul style="list-style-type: none"> ▪ An existing junior lien may be refinanced simultaneously with the first-lien mortgage being refinanced if the junior lien is being refinanced for one of the following purposes: <ul style="list-style-type: none"> ○ A reduction in the interest rate of the junior lien. ○ To replace an ARM, an interest-only junior lien, or a junior lien with a balloon or call option with a fixed-rate, fully amortized junior lien. ○ A reduction in the amortization term of the junior lien. ▪ The unpaid principal balance of the new junior lien may not be more than the unpaid principal balance, at the time of payoff, of the junior lien being refinanced. ▪ If the junior lien being refinanced is a fixed-rate junior lien, the new junior lien may not be an ARM. ▪ The new junior lien must be subordinate to the Freddie Mac-owned Streamlined Refinance Mortgage. ▪ If the junior lien is not being refinanced simultaneously with the first mortgage, the existing junior lien must be subordinate to the Streamlined Refinance Mortgage. <ul style="list-style-type: none"> ○ An increase in the current unpaid principal amount of any junior lien is not permitted and no new secondary financing is permitted.
Collateral Assessment	<ul style="list-style-type: none"> ▪ The Seller must have the appraisal used to originate the mortgage being refinanced or the last Loan Prospector Feedback Certificate evidencing that the mortgage being refinanced was eligible for the Form 2070 or the Property Inspection Alternative (PIA). <ul style="list-style-type: none"> ○ The appraisal, Form 2070, or PIA for the mortgage being refinanced must have met the requirements of the Guide. ○ The Seller retains all the representations or warranties for the appraisal, Form 2070 or PIA for the mortgage being refinanced, in accordance with the Guide. ▪ For the Streamlined Refinance Mortgage, the Seller must provide either of the following: <ul style="list-style-type: none"> ○ The appraisal used to originate the mortgage being refinanced or the last Loan Prospector Feedback Certificate from the mortgage being refinanced evidencing that the mortgage was eligible for Form 2070 or PIA plus any supporting documentation. <ul style="list-style-type: none"> ▪ When using the appraisal or Loan Prospector Feedback Certificate from the mortgage being refinanced, the Seller warrants that the value of the mortgaged premises as of the settlement date of the Freddie Mac-owned Streamlined Refinance Mortgage has not declined from the value used to originate the mortgage being refinanced. ○ A new appraisal with an interior and exterior inspection that meets Freddie Mac requirements. <ul style="list-style-type: none"> ▪ The Seller warrants that the value of the mortgaged premises as of the settlement date of the Freddie Mac-owned Streamlined Refinance Mortgage has not declined from the value as determined using the new appraisal. ▪ For super conforming mortgages, the special appraisal and collateral requirements in Section L.33.6 do not apply to Freddie Mac-owned Streamlined Refinance Mortgages. ▪ With respect to mortgages secured by units in a condominium project, the Seller does not need to represent and warrant that the condominium project meets Freddie Mac eligibility requirements as of the settlement date of the Freddie Mac-owned Streamlined Refinance Mortgage. Refer to Section 17.18 for delivery requirements for Freddie Mac-owned Streamlined Refinance Mortgages secured by units in a Condominium Project.
DELIVERY REQUIREMENTS	
Eligible Executions	<ul style="list-style-type: none"> ▪ Fixed-Rate Cash (servicing-retained) ▪ WAC ARM Cash ▪ Fixed-Rate Guarantor ▪ WAC ARM Guarantor ▪ MultiLender Swap (non-seasoned mortgages only)
Delivery Requirements	<ul style="list-style-type: none"> ▪ SCC 007: no cash-out refinance mortgage ▪ SCC 288: Freddie Mac-owned Streamlined Refinance Mortgage ▪ Reference Code 0007: Freddie Mac-owned Streamlined Refinance Mortgage ▪ Associated Freddie Mac Loan Number: the 9-digit Freddie Mac loan number of the existing mortgage ▪ Condo/PUD class: Insert project type "3" indicating streamlined review
Delivery Fees	<ul style="list-style-type: none"> ▪ Postsettlement delivery fees apply based on the individual characteristics of the mortgage. See Guide Exhibit 19 for details, or access Guide Exhibit 19 online at FreddieMac.com/singlefamily/pdf/ex19.pdf.

Learn more about Freddie Mac Streamlined Refinance Mortgages:

- Refer to Section 24.4 of the *Single-Family Seller/Servicer Guide*
- Call 800-FREDDIE
- Visit [FreddieMac.com](https://freddiemac.com)