



Key Features:

- Up to 95% LTV
- Refinance up to the amount of the original mortgage and the original LTV
- 12-month seasoning requirement for the mortgage being refinanced for Streamlined Refinance Mortgages
- No minimum seasoning requirement for Freddie Mac-owned Streamlined Refinance Mortgages
- Roll in closing costs, financing costs, and prepaid items
- Disburse cash to the borrower up to \$2,000 or 2% of the refinance mortgage amount, whichever is less
- Removal of borrower due to death or divorce for Streamlined Refinance Mortgages
- Payoff purchase money junior lien with mortgage proceeds for Streamlined Refinance Mortgages

Looking for Other Refinance Mortgages and More Ways To Retain Your Customers?

Visit FreddieMac.com for more information on:

- No cash-out and cash-out refinances
- Streamlined Purchase for Homeowners Mortgages

Streamlined Refinance Mortgages

Two Easy Refinance Mortgages for Borrowers Up to 95% LTV

Changing interest rates can bring out refinance borrowers in droves. Even a small rate decrease can mean significant monthly payment savings for many, while others are looking for quick, easy refinance options to make home improvements or consolidate debt.

Freddie Mac's Streamlined Refinance offerings—our Streamlined Refinance Mortgage and the Freddie Mac-owned Streamlined Refinance Mortgage (where the mortgage being refinanced is owned by Freddie Mac)—provide flexibility for you and your borrowers, and reduce your processing time for refinances where you have possession of the underwriting file for the existing mortgage and currently service the existing mortgage.

Streamlined Refinance is a fit for those borrowers looking to lower their rate and payment or refinance from an ARM to the security of a fixed rate. We've enhanced this offering by removing the 2.5% proceeds cap for closing costs, financing costs, prepaids/escrows and to allow *payoff of a purchase money junior lien with mortgage proceeds; and *removal of a borrower from the original mortgage due to death or divorce. (*Freddie Mac-owned Streamlined Refinance Mortgages must meet requirements in Guide Section 24.2 and 24.3.)

Whether you take advantage of Loan Prospector[®] automated underwriting technology to assess Streamlined Refinance Mortgages or choose to manually underwrite these loans, you'll retain your customer base and profitably build new volume – with less time invested by your production staff. You'll shorten your origination process with our minimal documentation requirements, and for Loan Prospector Accept mortgages, there are no manual checks required for payment history.

Lender Benefits

Streamlined Refinance and Freddie Mac-owned Streamlined Refinance help you:

- Retain your customer base and reduce loan runoff with options to meet a variety of borrower needs.
- Improve efficiencies using Loan Prospector technology.

Borrower Benefits

For your borrowers, Streamlined Refinance Mortgages:

- Lower the rate on loans that are seasoned for at least 12 months and reduce or eliminate upfront cost by financing related closing costs, financing costs, and prepaids/escrows into the new refinance mortgage up to the loan amount of the mortgage being refinanced.
- Eliminate new appraisal or inspection costs when you can warrant that the value of the mortgaged premises has not declined from the value used to originate the mortgage being refinanced.

Eligible Property Types

- 1- to 2-unit primary residence, including condos and PUDs.
- Second home

Eligible Mortgages

- Loan Prospector Accept (or manually underwritten according to special requirements)
- 15-, 20-, 30-, and 40-year fixed-rate mortgages
- 5- and 7-year balloon/reset mortgages
- Most standard ARMs
- 12-month seasoning requirement for Streamlined Refinance Mortgages; no minimum seasoning requirement for Freddie Mac-owned Streamlined Refinance Mortgages

Ineligible Mortgages

- Home Possible[®] Mortgages
- A-minus Mortgages
- Initial InterestSM Mortgages
- Mortgages for Newly Constructed Homes
- FHA/VA Mortgages
- Section 502 Guaranteed Rural Housing Mortgages and Section 184 Native American Mortgages
- Special purpose cash-out refinance Mortgage
- Mortgages with negative amortization
- Mortgages secured by Manufactured Homes

Maximum LTV for New Mortgage

- Max. LTV without secondary financing: 95%
- Max. LTV with secondary financing: 90%
- Max. TLTV with secondary financing: 95%
- Max. HTLTV: 100%

If paying off a purchase money junior lien:

- Max. LTV without secondary financing: 90%
- Max. LTV with secondary financing: 85%
- Max. TLTV with secondary financing: 90%
- Max. HTLTV: 90%

Borrower Eligibility Requirements

- Minimum Indicator Score of 680 for manually underwritten Streamlined Refinance Mortgages.
- Minimum Indicator Score of 620 for manually underwritten Freddie Mac-owned Streamlined Refinance Mortgages.

Closing Costs, Financing Costs & Prepaids/Escrows

- May roll into the new loan amount up to the amount of the mortgage being refinanced.

Cash Back to Borrower

- 2% of the refinance mortgage amount or \$2,000, whichever is less.

Special Underwriting Requirements

- For Streamlined Refinance and Freddie Mac-owned Streamlined Refinance Mortgages:
 - ⇒ New loan application required.
 - ⇒ New mortgage amount and new LTV ratio must not exceed the original mortgage amount and the original LTV ratio; or the original TLTV ratio of the original mortgage if a junior lien is being paid off
 - ⇒ Borrowers may be added and borrowers who contribute no qualifying income, assets or reserves to the mortgage being refinanced may be omitted.
 - ⇒ Increase in P&I payment on the refinance mortgage may not exceed the P&I payment on the existing mortgage by more than 20%.
 - ⇒ No asset documentation required. Seller must verify reserves if they are entered into Loan Prospector.
- Additional requirements **for Streamlined Refinance Mortgages only:**
 - ⇒ Verbal verification of employment required, or the most recent paystub or salary voucher.
 - ⇒ For manually underwritten mortgages, the minimum Indicator Score is 680, and the mortgage payment history on the mortgage being refinanced indicates that the mortgage has not been 30 or more days delinquent in the most recent 12 months.)
 - ⇒ A Borrower may be omitted due to death or divorce if the Seller obtains and retains in the mortgage file documentation of the death or divorce; and obtains evidence the remaining

Borrower has been making the mortgage payments, including payments for any secondary financing, for the last 12 months.

- **Additional requirements for Freddie Mac-owned Streamlined Refinance Mortgages only:**

- ⇒ No income verification required. For Loan Prospector mortgages, enter the income reported on the borrower's new loan application.
- ⇒ For manually underwritten mortgages, the minimum Indicator Score is 620, and the mortgage payment history indicates the mortgage being refinanced has been current for the most recent 90 days and in the most recent 12 months has not been 30 days delinquent more than once, or, 60 or more days delinquent ever.

- **Subordinate Liens for Streamlined Refinance Mortgages only**

- Purchase money junior lien can be paid off from the proceeds of the new loan if the Seller has documentation in the mortgage file that the junior lien was used in its entirety to purchase the property.

- **Collateral Assessment**

- The Seller must provide:
 - ⇒ An appraisal or inspection that meets the requirements of Guide Chapter 44 is required in compliance with Loan Prospector's minimum assessment feedback; the transaction may also be eligible for the Property Inspection Alternative (PIA). For non-Loan Prospector loans, an appraisal with an interior and exterior inspection is required; or
 - ⇒ If the value has not declined since the effective date of the value used to originate the mortgage being refinanced, the appraisal or inspection report from the existing mortgage. The Seller must warrant that the value of the mortgaged premises has not declined from the value used to originate the mortgage being refinanced.
 - ⇒ If the value has declined since the effective date of the value used to originate the mortgage being refinanced, a new appraisal report or inspection report must be provided

in accordance with the requirements of Guide Chapter 44.

- **Servicing**

The Seller originating the refinance mortgage must service the existing mortgage and must have possession of the underwriting file.

- **Eligible Executions**

- Servicing-retained Fixed-rate Cash
- WAC ARM Cash
- Fixed-rate Guarantor
- WAC ARM Guarantor
- MultiLender Swap (non-seasoned mortgages only)

- **Delivery Requirements**

- SCC: 007 and 289 for Streamlined Refinance, 007 and 288 for Freddie Mac-owned Streamlined Refinance
- Associated Freddie Mac Loan Number: the 9-digit Freddie Mac loan number of the existing mortgage (for Freddie Mac-owned Streamlined Refinance Mortgages)
- Reference Code: 0007 (for Freddie Mac-owned Streamlined Refinance Mortgages)

- **Delivery Fees**

Postsettlement delivery fees apply based on the individual characteristics of the mortgage. See Guide Exhibit 19 for details, or visit Guide Exhibit 19 online at www.freddiemac.com/singlefamily/pdf/ex19.pdf.

- **Learn more about Freddie Mac Streamlined Refinance Mortgages:**

- Call (800) FREDDIE
- Visit FreddieMac.com
- Refer to Sections 24.3 and 24.4 of your *Single-Family Seller/Servicer Guide*

The information in this document is not a replacement or substitute for information found in the *Single-Family Seller/Servicer Guide* Chapter 24 and/or the terms of your Master Agreement and/or Master Commitment.