

WHOLESALE BULLETIN

IMPORTANT INFORMATION: PLEASE READ IMMEDIATELY

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17W-105

Attention: Business Development Managers & Mortgage Brokers

November 14, 2017

Please take a moment to read the important information contained in this bulletin.

Included in this Bulletin: Fannie Mae Student Loan Cash Out Refinance

Mountain West is pleased to announce the roll out of Fannie Mae's Rate and Term Refinance that includes the pay-off of a student loan.

The student loan cash-out refinance feature contains elements of both cash-out refinance and limited cash out refinance transactions as described in the table below.

Student Loans Eligible for Payoff	<ul style="list-style-type: none">• At least one student loan must be paid off. Loan proceeds must be paid directly to the student loan servicer at closing.• Only student loans for which the borrower is personally obligated can be paid through transaction. This would include co-signor loans.• Student loan debt must be paid in full with the proceeds – partial payments of student loan debt are not permitted.
Eligibility	<ul style="list-style-type: none">• Standard Cash-Out refinance LTV, CLTV, and HCLTV ratios apply.
Underwriting Method	<ul style="list-style-type: none">• DU Only. Needs to be run as a cash-out refinance.
Special Feature Codes	<ul style="list-style-type: none">• SFC 841
Maximum Cash Back	<ul style="list-style-type: none">• Lesser of 2% or \$2,000.00 (over and above the student loan payoff)
Existing Mortgage Payoff	<ul style="list-style-type: none">• 1st Mortgage and purchase money 2nd's
Other Requirements	<ul style="list-style-type: none">• Property cannot be listed for sale at time of disbursement.• Payoff of taxes ineligible unless escrow account is established• Payoff of delinquent taxes ineligible

When registering the loan in PML, choose a cash out refinance. A check box will pop up to indicate if the cash out is to pay off student loans.

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