



# WHOLESALE BULLETIN

IMPORTANT INFORMATION: PLEASE READ IMMEDIATELY

[Guidelines](#)

[Bolt Training](#)

[Wholesale Website](#)

[Previous Bulletins](#)

## 21W-052

**Attention: AEs, Business Development Managers & Mortgage Brokers**

**July 22, 2021**

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

**Included in this Bulletin: Freddie Mac Revisions No Cash Out Refinance Seasoning Requirement; Cash Out Refinance Exception and Future Long Term Disability Income**

Effective August 5, 2021, Freddie Mac has announced the following changes –

### **No Cash Out/Rate and Term Refinance Seasoning Requirement**

Freddie Mac will now require a 30-day seasoning requirement for refinance mortgages to be paid off using the proceeds of a “no-cash out” refinance mortgage. The refinance mortgage being paid off must have a Note Date no less than thirty days prior to the Note Date of the “no-cash out” refinance mortgage, as documented in the loan file (i.e., on the credit report or the title commitment).

### **Exception for Cash Out Refinance Mortgages where none of the Borrowers have been on the title for at least six months**

Freddie Mac has updated their requirements for cash out refinance mortgages when the property title has been held by a limited liability company (LLC) or limited partnership (LP). In these instances, the requirement that at least one Borrower must have been on the title to the subject property for a minimum of six months prior to the Note Date may be satisfied by the time the property was titled in the name of the LLC or LP, provided that:

- The Borrower is a majority owner or had control of the LLC or LP since the date the property was acquired by the LLC or LP
- Title is transferred into the Borrower’s name prior to the Note Date

## **Future Long Term Disability Income**

Requirements have been updated to permit the use of future long term disability income that will commence after the first mortgage payment due date provided that:

- The Borrower is currently receiving short term disability benefits that will subsequently convert to long term benefits,
- The Borrower is qualified on the lesser amount of either the long term or short term disability payments, and
- The documentation requirements are met

If you have any questions, contact your local Account Executive, Production Coordinator, Regional Vice President, or Brian Daily, SVP Wholesale: [Brian.Daily@mwfinc.com](mailto:Brian.Daily@mwfinc.com), 909-255-8332.

**Author: Underwriting/mq**