

Tuesday, February 14, 2023

Bulletin #2023-AC-007

NOTICE TO ALL CUSTOMERS

Fannie Mae Cash-Out Seasoning Requirements

Fannie Mae announced in [Bulletin SEL-2023-1](#) the new requirements affecting Cash-Out Refinance transactions when the proceeds of the refinance are used to pay off a first lien mortgage:

- The first lien mortgage being refinanced must be seasoned for at least 12 months as measured from the Note Date of the mortgage being refinanced to the Note Date of the cash-out refinance Mortgage.
 - The seasoning requirement does not apply when any existing subordinate lien(s) is being paid off through the new refinance transaction, or
 - When buying out a co-owner pursuant to a legal agreement.

FLC Bank is adhering to the **new requirement effective with loan applications locked on or after March 1, 2023**. Loans in the pipeline locked before this date must close/fund by March 15, 2023.

The DU feedback on cash-out refinances will be updated in a future release to reflect the updated requirement; in the meantime, Lenders cannot rely on DU to alert users of the new requirements on cash-out transactions.

If you have any questions, please contact your [Account Executive or Client Relations Representative](#).

To access our most recently updated Temporary Policies Related to COVID-19 (version 48) please [click here](#).