



Announcement WS 2018-01-19

## GNMA Changes affecting Government Refinances

January 19, 2018

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GNMA issued [APM 17-06](#) which tightens up the seasoning requirements on streamline and cash-out refinance transactions for government loans (FHA, VA, and USDA).

### **Existing Requirement – APM 16-05:**

Currently, streamline refinance loans may be delivered into Ginnie Mae pools if, at the time of the refinance, at least six consecutive monthly payments have been made on the existing loan. Streamline refinances of loans on which fewer than six consecutive monthly payments have been made may only be delivered into Ginnie Mae II custom MBS pools.

**Effective February 1, 2018, Impac will not close or fund government streamline or cash-out refinance loans that do not meet the new seasoning requirements (6 months / 210 days) defined below.**

### **New Requirement – APM 17-06:**

Effective with pool issuances on or after **April 1, 2018**, streamlined refinance loans *and* cash-out refinance loans are eligible for Ginnie Mae I Single Issuer Pools and Ginnie Mae II Multiple Issuer Pools if **and only if**:

- the borrower made at least six consecutive monthly payments on the loan being refinanced, beginning with the payment made on the first payment due date; *and*
- the first payment due date of the refinance loan occurs no earlier than 210 days after the first payment due date of the loan being refinanced.

In the interim period before the effective date of the new requirement, the existing requirement remains in effect. Upon the effective date of this APM, the terms of APM 16-05 will be superseded by the new requirement.

### **The new rule does the following:**

- It now applies to BOTH Streamline and Cash-Out refinances.
- Precisely defines the seasoning requirement and first payment due date for the subsequent streamline or cash-out refinance loan.
- The seasoning requirement applies to the cash-out refinance of any loan (conventional or government) into a new government loan.  
As written, the new guidance does not make a distinction regarding the existing loan.

***We thank you for your continued business.***

If you have questions, please contact 855-GO-IMPAC (855-464-6722).