



Guide Update 23-23: Refinance Risk Analysis

Effective: 10/26/23
Retired: 01/21/25

Summary of Changes

HIGHLIGHTS

Effective as of October 26, 2023, the income and expense growth rate data used to calculate exit rates in DUS Gateway will be updated to align with the new Refinance Risk Analysis Base Assumptions.

Primary Changes

You must:

- use 2% income growth/3% general expense trending to calculate exit rates for a Mortgage Loan:
 - in a Structured Transaction; or
 - secured by multiple Properties; and
- for all other Mortgage Loans, use the income and expense growth rates published in DUS Gateway for the Property.

Implementation

On October 26, 2023, DUS Gateway exit rate fields will automatically update to:

- Standard Exit; and
- Exit Rates at 2%/3%.

You must use the new growth rate methodology for all transactions with a DUS Gateway Deal Submitted Date:

- on or after October 26, 2023; or
- before October 26, 2023, and
 - the quote has expired,



- a new loan option is added, or
- a change is made to an existing loan option.

If you are using the prior growth rate methodology for a transaction with a DUS Gateway Deal Submitted Date before October 26, 2023:

- enter the prior exit rate in the "Expected Exit Refinance Interest Rate" field on the "Loan Options" page; and
- note the prior exit rate's use in your Transaction Approval Memo.

Superseded Publication

This publication supersedes Guide Update 23-07: Refinance Risk Analysis.

Questions

Please contact the Fannie Mae Deal Team with any questions.