

## Resource

# Seasoning Requirements for FHA/VA/USDA Refinances

Ginnie Mae, the guarantor for HUD, FHA and VA transactions, issued (All Participant Memorandum) [APM 17-06](#) on December 7, 2017, which addresses new Ginnie Mae requirements for HUD, FHA and VA cash-out refinance transactions and FHA Streamline and VA IRRRL credit and non-credit qualifying transactions. Several of the Ginnie Mae requirements are more restrictive than HUD, FHA, VA and USDA; as such, both HUD/FHA/VA/USDA and Ginnie Mae requirements will need to be met in order to ensure compliance.

The new Ginnie Mae requirements do not apply to FHA rate and term credit qualifying transactions, including Simple Refinances.

Subsequent APM's that have been issued are as follows:

- [APM 18-04](#)
- [APM 19-03](#)
- [APM 19-05](#)
- [APM 21-06](#): Provides the most recently issued guidance related to seasoning as it pertains to loan modifications. For all refinances that have been modified, the seasoning requirement is to be measured from the “first payment due date listed on the modification agreement instead of from the first payment due date on the original note” and thus, seasoning requirement will be met as described below and are effective immediately.

Cardinal Financial will ensure compliance with all seasoning, payment history and date requirements by ensuring our mortgage operations and underwriting team use Octane's Smart Document “**Evidence of Compliance - Transaction Seasoning**” to house all artifacts such as payment history documentation, original note documentation, mortgage statements, payoff documentation to clearly demonstrate the first payment date, calculation of full months and finally days since the last transaction.

### Forbearance and Loan Modification

Term	Definition
<b>Forbearance</b>	<p>A Loan Forbearance is a change to one or more terms of a Borrower's Mortgage repayment agreement, <i>without</i> a change to the terms of the original Note.</p> <p>Forbearance Plans may allow for a period of reduced or suspended payments and may provide specific terms for repayment.</p> <p>Where a mortgage reflects payments under a Forbearance Plan within the past 12 months prior to Case Number Assignment, the following documentation is required:</p> <ul style="list-style-type: none"> <li>• A copy of the Forbearance Plan outlining the terms of repayment; and</li> <li>• Evidence of the payment amount and date of payments during the forbearance term</li> </ul>

<p><b>Loan Modification</b></p>	<p>A Loan Modification is a permanent change to the repayment terms of the original Note. A loan modification is not a new note, nor is it a replacement of the original note, but is simply an addendum to the original document, changing the terms as agreed.</p> <p>Modifications may include a change to the terms of repayment to reduce the monthly obligation, to extend the term of the original loan, to reduce an interest rate, and/or to forbear or reduce the principal balance.</p> <p>When a mortgage reflects a possible Modification as evidenced by the credit report or the title commitment, the following documentation must be obtained:</p> <ul style="list-style-type: none"> <li>● <b>VA</b> <ul style="list-style-type: none"> <li>○ Regardless of age of the Modification, a copy of the Modification Agreement outlining the terms of repayment.</li> <li>○ The Agreement must be reviewed to determine any modified interest rate, modification completion date, modified first payment due date or modified term.</li> </ul> </li> <li>● <b>Non-VA</b> <ul style="list-style-type: none"> <li>○ If recorded modification is within 24 months of the TRID Application Date, a copy of the Modification Agreement outlining the terms of repayment.</li> <li>○ The Agreement must be reviewed to determine any modified interest rate, modification completion date, modified first payment due date or modified term.</li> </ul> </li> </ul>
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<p align="center"><b>VA Cash-Out Refinance Type I and Type II</b></p>			
	<p align="center"><b>Current Guidelines</b></p>	<p align="center"><b>GNMA Requirements</b></p>	<p align="center"><b>Combined Requirements to Be Met</b></p>
<p><b>VA Cash-Out Type I Refinance</b></p>	<ul style="list-style-type: none"> <li>● A minimum of six (6) monthly payments must have been made on the original loan being refinanced, <b>and</b></li> <li>● The six (6) consecutive monthly payments must be paid, in full, in the month due, <b>and</b></li> <li>● A minimum of 210 calendar days must have passed between the first monthly payment due date of the original loan (loan being refinanced) and the Note Date of the new transaction.</li> <li>● As outlined within <a href="#">Circular 26-19-05</a> if the loan being paid off has a closing date within one year (12</li> </ul>	<ul style="list-style-type: none"> <li>● A minimum of six (6) consecutive payments must have been made on the original loan being refinanced prior to the Note date of the new refinance, <b>and</b></li> <li>● A minimum of 210 calendar days must have passed between the first payment due date of the original loan (loan being refinanced) and the Note Date of the new transaction.</li> <li>● For refinance of a modified mortgage, the Note date of the new refinance mortgage must be on or after the later of: <ul style="list-style-type: none"> <li>○ The date that is 210 days after the date on which the first modified monthly payment was</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>● A minimum of six (6) consecutive monthly payments must have been made on the original loan being refinanced prior to the Note date of the new refinance, <b>AND</b></li> <li>● A minimum of 210 calendar days must have passed between the first payment due date of the original loan (loan being refinanced) and the new Note date of the new refinance, <b>AND</b></li> <li>● <b>The six (6) consecutive monthly payments must be paid, in full, in the month due, AND</b></li> <li>● Payment cannot be prepaid in advance of the due date to meet the loan seasoning</li> </ul>

	<p>months), a payment ledger, account history, verification of mortgage or credit supplement must be provided to document all payments made since the first payment due date.</p>	<ul style="list-style-type: none"> <li>○ due on the mortgage being refinanced, and</li> <li>○ The date on which 6 modified payments have been made on the mortgage being refinanced</li> <li>○ Loans that have been modified must meet all of the above seasoning requirements beginning with the first payment due date after the modification.</li> <li>● If underlying loan being paid off was originated as an OTC transaction, follow <a href="#">One-time Close Construction to Permanent Loan</a></li> </ul>	<p>requirement (the 6th payment cannot be made through loan closing), <b>AND</b></p> <ul style="list-style-type: none"> <li>● As outlined within <a href="#">Circular 26-19-05</a> if the loan being paid off has a closing date within one year (12 months), a payment ledger, account history, verification of mortgage or credit supplement must be provided to document all payments made since the first payment due date.</li> <li>● Loans that have been modified must meet all of the above seasoning requirements beginning with the first payment due date after the modification.</li> <li>● If underlying loan being paid off was originated as an OTC transaction, follow <a href="#">One-time Close Construction to Permanent Loan</a></li> </ul>
<p><b>VA Cash-Out Type 2 Refinance</b></p>	<ul style="list-style-type: none"> <li>● A minimum of six (6) monthly payments must have been made on the original loan being refinanced, <b>and</b></li> <li>● A minimum of 210 calendar days must have passed between the first monthly payment made date on the original loan (loan being refinanced) and the Note Date of the new transaction.</li> </ul>	<ul style="list-style-type: none"> <li>● A minimum of six (6) consecutive payments must have been made on the original loan being refinanced prior to the Note date of the new refinance, <b>and</b></li> <li>● A minimum of 210 calendar days must have passed between the first payment due date of the original loan (loan being refinanced) and the Note Date of the new transaction.</li> <li>● For refinance of a modified mortgage, the Note date of the new refinance mortgage must be on or after the later of: <ul style="list-style-type: none"> <li>○ The date that is 210 days after the date on which the first modified monthly payment was due on the mortgage being refinanced, and</li> <li>○ The date on which 6 modified payments have been made on the mortgage being refinanced</li> <li>○ Loans that have been modified must meet all of the above seasoning</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>● A minimum of six (6) consecutive monthly payments must have been made on the original loan being refinanced prior to the Note date of the new refinance, <b>AND</b></li> <li>● The stricter of <ul style="list-style-type: none"> <li>○ A minimum of 210 calendar days must have passed between the <b>first monthly payment due date</b> of the original loan (loan being refinanced) and the Note Date of the new transaction, <b>or</b></li> <li>○ A minimum of 210 calendar days must have passed between the <b>first monthly payment made date</b> on the original loan (loan being refinanced) and the Note Date of the new transaction, <b>AND</b></li> </ul> </li> <li>● The payment history must meet the Housing History guidelines outlined in the <a href="#">Chapter 13   VA   Lending</a></li> </ul>

		<p>requirements beginning with the first payment due date after the modification.</p> <ul style="list-style-type: none"> <li>• If underlying loan being paid off was originated as an OTC transaction, follow <a href="#">One-time Close Construction to Permanent Loan</a></li> </ul>	<p><a href="#">Guide, AUS feedback and the applicable Product Snapshot</a></p> <ul style="list-style-type: none"> <li>• Payment cannot be prepaid in advance of the due date to meet the loan seasoning requirement (the 6th payment cannot be made through loan closing), <b>AND</b></li> <li>• As outlined within <a href="#">Circular 26-19-05</a> if the loan being paid off has a closing date within one year (12 months), a payment ledger, account history, verification of mortgage or credit supplement must be provided to document all payments made since the first payment due date.</li> <li>• Loans that have been modified must meet all of the above seasoning requirements beginning with the first payment due date after the modification.</li> <li>• If underlying loan being paid off was originated as an OTC transaction, follow <a href="#">One-time Close Construction to Permanent Loan</a></li> </ul>
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**One-time Close Construction to Permanent Loan**

Seasoning for an existing loan which originated as a One Time Close (OTC) transaction will need to be measured from the first payment date of the fully amortized payment. The first payment date is considered the date of the payment due following modification of the loan from the interest only period to the fully amortized payment.

If the One-time Close Construction to Permanent Loan has not yet modified to a fully amortized payment, the loan is not subject to GNMA seasoning requirements.

**VA IRRRL**

	Current Guidelines	GNMA Requirements	Combined Requirements to Be Met
<p><b>VA IRRRL Credit and Non-Credit Qualifying Refinance</b></p>	<ul style="list-style-type: none"> <li>● A minimum of six (6) payments must have been made on the loan being refinanced, <b>and</b></li> <li>● The six (6) consecutive monthly payments must be paid, in full, in the month due, <b>and</b></li> <li>● The Note Date of the new loan must be at least six (6) months from the Note date on the existing loan, <b>and</b></li> <li>● The borrower cannot prepay the loan in order to meet the seasoning requirement (the 6th payment cannot be made through loan closing)</li> <li>● If the loan being paid off has a closing date within one year (12 months), a payment ledger, account history, verification of mortgage or credit supplement must be provided to indicate that 6 consecutive payments were posted and that the most recent 6 months of payments were all made on time.</li> </ul>	<ul style="list-style-type: none"> <li>● A minimum of six (6) consecutive payments must have been made on the original loan being refinanced, <b>and</b></li> <li>● A minimum of 210 calendar days must have passed between the first payment due date of the original loan (loan being refinanced) and the Note Date of the new transaction.</li> <li>● Loans that have been modified must meet all of the above seasoning requirements beginning with the first payment due date after the modification.</li> <li>● For refinance of a modified mortgage, the Note date of the new refinance mortgage must be on or after the later of: <ul style="list-style-type: none"> <li>○ The date that is 210 days after the date on which the first modified monthly payment was due on the mortgage being refinanced, and</li> <li>○ The date on which 6 modified payments have been made on the mortgage being refinanced</li> <li>○ This policy does not apply to One-time Close Construction to Permanent loan that has not yet modified to a fully amortized loan</li> <li>○ Loans that have been modified must meet all of the above seasoning requirements beginning with the first payment due date after the modification.</li> </ul> </li> <li>● If underlying loan being paid off was originated as an OTC transaction, follow <a href="#">One-time Close Construction to Permanent Loan</a></li> </ul>	<ul style="list-style-type: none"> <li>● A minimum of six (6) consecutive payments must have been made on the original loan being refinanced prior to the Note date of the new refinance, <b>AND</b></li> <li>● The Note date of the new loan must be at least (6) months from the Note date on the existing loan, <b>AND</b></li> <li>● A minimum of 210 calendar days must have passed between the first payment due date of the original loan (loan being refinanced) and the Note Date of the new transaction, <b>AND</b></li> <li>● <b>The six (6) consecutive monthly payments must be paid, in full, in the month due, AND</b></li> <li>● The borrower cannot prepay the loan in order to meet the seasoning requirement (the 6th payment cannot be made through loan closing) <b>AND</b></li> <li>● If the loan being paid off has a closing date within one year (12 months), a payment ledger, account history, verification of mortgage or credit supplement must be provided to document all payments made since the first payment due date.</li> <li>● Loans that have been modified must meet all of the above seasoning requirements beginning with the first payment due date after the modification.</li> <li>● If underlying loan being paid off was originated as an OTC transaction, follow <a href="#">One-time Close Construction to Permanent Loan</a></li> </ul>

**FHA Refinances**

	Current Guidelines	GNMA Requirements	Combined Requirements to Be Met
<p><b>FHA Cash-Out Refinance</b></p>	<ul style="list-style-type: none"> <li>• A minimum of six (6) payments have been made on the original loan, <b>and</b></li> <li>• The borrower must have owned and occupied the property as their primary residence for a minimum of twelve (12) months prior to case number assignment (does <b>not</b> apply to inherited properties)</li> <li>• Note: For Manufactured Homes, the property must have been permanently installed on a site for more than 12 months prior to case number assignment.</li> </ul>	<ul style="list-style-type: none"> <li>• A minimum of six (6) consecutive payments must have been made on the original loan being refinanced, <b>and</b></li> <li>• A minimum of 210 calendar days must have passed between the first payment due date of the original loan (loan being refinanced) and the first payment due date of the new loan</li> <li>• Loans that have been modified must meet all of the above seasoning requirements beginning with the first payment due date after the modification.</li> <li>• If underlying loan being paid off was originated as an OTC transaction, follow <a href="#">One-time Close Construction to Permanent Loan</a></li> </ul>	<ul style="list-style-type: none"> <li>• A minimum of 210 calendar days must have passed between the first payment due date of the original loan(s) (loan being paid off) and the first payment due date of the new loan <b>AND</b></li> <li>• The borrower must document that all payments for the mortgage were paid within the month due for the previous twelve (12) months or since the borrower obtained the mortgage, whichever is less <b>AND</b></li> <li>• A minimum of six (6) consecutive payments must have been made on the original loan being refinanced prior to the Note date of the new refinance <b>AND</b></li> <li>• The borrower must have owned and occupied the property as their primary residence for a minimum of twelve (12) months prior to the Case Number Assignment (does not apply to inherited properties). For Manufactured Homes, the property must have been permanently installed on a site for more than 12 months prior to case number assignment.</li> <li>• Loans that have been modified must meet all of the above seasoning requirements beginning with the first payment due date after the modification.</li> </ul>

			<ul style="list-style-type: none"> <li>If underlying loan being paid off was originated as an OTC transaction, follow <a href="#">One-time Close Construction to Permanent Loan</a></li> </ul>
	Current Guidelines	GNMA Requirements	Combined Requirements to Be Met
<b>FHA Streamline Refinance (Credit and Non-Credit Qualifying)</b>	<ul style="list-style-type: none"> <li>The borrower must have made a minimum of six (6) payments on the FHA mortgage being refinanced at the time of the case number assignment, <b>and</b></li> <li>A minimum of six (6) months have passed since the first payment due date at the time of the case number assignment, <b>and</b></li> <li>A minimum of 210 days have passed from the <b>closing date of the mortgage being refinanced and case number assignment for the new loan</b> (i.e. the case number cannot be requested until the 211th day from the closing date)</li> </ul>	<ul style="list-style-type: none"> <li>A minimum of six (6) consecutive payments must have been made on the original loan being refinanced, <b>and</b></li> <li>A minimum of 210 calendar days must have passed between the <b>first payment due date of the original loan</b> (loan being refinanced) and <b>the first payment due date of the new loan</b></li> <li>Loans that have been modified must meet all of the above seasoning requirements beginning with the first payment due date after the modification.</li> <li>If underlying loan being paid off was originated as an OTC transaction, follow <a href="#">One-time Close Construction to Permanent Loan</a></li> </ul>	<p>On the date of the case number assignment the following must all be met:</p> <ul style="list-style-type: none"> <li>The borrower must have made a minimum of six (6) payments on the FHA mortgage being refinanced at the time of the Case Number Assignment, <b>AND</b></li> <li>A minimum of 210 days have passed from the <b>closing date of the mortgage being refinanced and the Case Number Assignment for the new loan</b> (i.e. the case number cannot be requested until the 211th day from the closing date), <b>AND</b></li> <li>A minimum of <b>six (6) full months</b> have passed since the first payment due date at the time of the Case Number Assignment and this is defined as full calendar months from the first payment date to completion of the 6th full calendar month. The calendar month count starts at the first payment date month and we would count through 6 months with the calendar month concluding at the finish of the 6th month.</li> </ul> <p>In addition:</p> <ul style="list-style-type: none"> <li>A minimum of 210 calendar days must have passed between the <b>first payment due date of the</b></li> </ul>

			<p><b>original loan</b> (loan being refinanced) and the <b>first payment due date of the new loan</b></p> <ul style="list-style-type: none"> <li>• Payment History must show 0x30 for the most recent 6 months prior to case number assignment, and may be no more than 1x30 in months 7 through 12 prior to case number assignment. Payments must remain 0x30 after case number assignment through closing.</li> <li>• Loans that have been modified must meet all of the above seasoning requirements beginning with the first payment due date after the modification.</li> <li>• If underlying loan being paid off was originated as an OTC transaction, follow <a href="#">One-time Close Construction to Permanent Loan</a></li> </ul>
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- If the borrower assumed the mortgage that is being refinanced, they must have made six payments since the time of assumption
- The FHA will not issue a case number for a Streamline Refinance where the existing mortgage to be paid is a 203(k) and the rehabilitation escrow close has not been completed

### One-time Close Construction to Permanent Loan

Seasoning for an existing loan that originated as a One-Time Close (OTC) transaction will need to be measured from the first payment date of the fully amortized payment. The first payment date is considered the date of the payment due following modification of the loan from the interest-only period to the fully amortized payment.

If the One-time Close Construction to Permanent Loan has not yet modified to a fully amortized payment, the loan is not subject to GNMA seasoning requirements.

### HUD Section 184 Refinances

	Current Guidelines	GNMA Requirements	Combined Requirements to Be Met
<b>HUD Section 184 Cash-Out</b>	<ul style="list-style-type: none"> <li>• A minimum of 24 payments have been</li> </ul>	<ul style="list-style-type: none"> <li>• A minimum of six (6) consecutive payments must have been made</li> </ul>	<ul style="list-style-type: none"> <li>• A minimum of 210 calendar days must have</li> </ul>

<p><b>Refinance</b></p>	<p>made on the original loan prior to the case number assignment, <b>and</b></p> <ul style="list-style-type: none"> <li>• No late payments in the past 24 months may be present, <b>and</b></li> <li>• The borrower must have owned and occupied the property as their primary residence for a minimum of twelve (12) months prior to Case Number Assignment.</li> </ul>	<p>on the original loan being refinanced, <b>and</b></p> <ul style="list-style-type: none"> <li>• A minimum of 210 calendar days must have passed between the first payment due date of the original loan (loan being refinanced) and the first payment due date of the new loan</li> <li>• Loans that have been modified must meet all of the above seasoning requirements beginning with the first payment due date after the modification.</li> </ul>	<p>passed between the first payment due date of the original loan(s) (loan being paid off) and the first payment due date of the new loan <b>AND</b></p> <ul style="list-style-type: none"> <li>• The borrower must document that all payments for the mortgage were paid within the month due for the previous 24 months, <b>AND</b></li> <li>• A minimum of 24 consecutive payments must have been made on the original loan being refinanced prior to the Note date of the new refinance <b>AND</b></li> <li>• The borrower must have owned and occupied the property as their primary residence for a minimum of twelve (12) months prior to the Case Number Assignment.</li> <li>• Loans that have been modified must meet all of the above seasoning requirements beginning with the first payment due date after the modification.</li> </ul>
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USDA Refinances			
	Current Guidelines	GNMA Requirements	Combined Requirements to Be Met
<p><b>USDA Streamline</b></p>	<ul style="list-style-type: none"> <li>• A minimum of 180 days must have passed between the closing date of the USDA mortgage being refinanced prior to the conditional commitment request date to USDA</li> <li>• The existing USDA loan being refinanced must</li> </ul>	<ul style="list-style-type: none"> <li>• A minimum of six (6) consecutive payments must have been made on the original loan being refinanced, <b>and</b></li> <li>• A minimum of 210 calendar days must have passed between the <b>first payment due date of the original loan</b> (loan being refinanced) and <b>the first</b></li> </ul>	<p>On the date of the conditional commitment, the request is made to USDA, the following must all be met:</p> <ul style="list-style-type: none"> <li>• The borrower must document that the payments for their mortgage were paid within the month due for the six (6) months preceding the</li> </ul>

	<p>have a mortgage payment history which does not reflect a delinquency greater than 30 days within the previous 180 day period</p> <ul style="list-style-type: none"> <li>• The loan security must include the same property as the original loan and owned and occupied by the applicants as their principal residence.</li> </ul>	<p><b>payment due date of the new loan</b></p> <ul style="list-style-type: none"> <li>• Loans that have been modified must meet all of the above seasoning requirements beginning with the first payment due date after the modification.</li> </ul>	<p>request for the conditional commitment request to USDA <b>AND</b></p> <ul style="list-style-type: none"> <li>• A minimum of 180 days must have passed between the closing date of the USDA mortgage being refinanced prior to the conditional commitment request date to USDA <b>AND</b></li> <li>• A minimum of 210 calendar days must have passed between the <b>first payment due date of the original loan</b> (loan being refinanced) and <b>the first payment due date of the new loan, AND</b></li> <li>• The loan security must include the same property as the original loan and owned and occupied by the applicants as their principal residence.</li> <li>• Loans that have been modified must all of the above meet seasoning requirements beginning with the first payment due date after the modification.</li> </ul>
<p><b>USDA Streamline Assist</b></p>	<ul style="list-style-type: none"> <li>• A minimum of 180 days must have passed between the closing date of the USDA mortgage being refinanced prior to the conditional commitment request date to USDA</li> <li>• The existing USDA loan being refinanced must have a mortgage payment history which does not reflect a delinquency greater than 30 days within the previous 180 day period</li> <li>• The loan security must include the same property as the original</li> </ul>	<ul style="list-style-type: none"> <li>• A minimum of six (6) consecutive payments must have been made on the original loan being refinanced, <b>and</b></li> <li>• A minimum of 210 calendar days must have passed between the <b>first payment due date of the original loan</b> (loan being refinanced) and <b>the first payment due date of the new loan</b></li> <li>• Loans that have been modified must meet all of the above seasoning requirements beginning with the first payment due date after the modification.</li> </ul>	<p>On the date of the conditional commitment request is made to USDA, the following must all be met:</p> <ul style="list-style-type: none"> <li>• The borrower must document that the payments for their mortgage were paid within the month due for the six (6) months preceding the request for the conditional commitment request to USDA <b>AND</b></li> <li>• A minimum of 180 days must have passed between the closing date of the USDA mortgage being refinanced prior to the conditional</li> </ul>

	<p>loan and owned and occupied by the applicants as their principal residence.</p>		<p>commitment request date to USDA <b>AND</b></p> <ul style="list-style-type: none"> <li>• A minimum of 210 calendar days must have passed between the <b>first payment due date of the original loan</b> (loan being refinanced) and the <b>first payment due date of the new loan AND</b></li> <li>• <b>The loan security must include the same property as the original loan and owned and occupied by the applicants as their principal residence.</b></li> <li>• Loans that have been modified must meet all of the above seasoning requirements beginning with the first payment due date after the modification.</li> </ul>
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## Helpful Hints

Establishing the seasoning criteria for government refinances can be challenging. Below is a table intended to help our loan team use documents that may be available to establish an estimate of seasoning based on the first payment date that early in the process might not be identifiable using the underlying note. Please be advised the deed of trust is a guide on our loan maturation but is not the definite establishment of a first payment date. A borrower and lender may agree upon an interest credit or early first payment date, and the first payment date could vary despite a shared maturity date.

- Often Mortgage Statements and Payoff documents contain the “maturity” date which will allow you to work backward to your first payment date.

<b>Account Information</b>	
Outstanding Principal Balance	\$414,656.04
Current Escrow Account Balance	\$4,707.64
<b>Maturity Date</b>	<b>August 2049</b>
Interest Rate	4.750%
Prepayment Penalty	No

- The note indicates the first payment date



