



Freddie Mac Seasoning Policy

January 13, 2023

Subject: Freddie Mac Cash-out Refinance Transactions

To: All

FlexPoint Inc is aligning with Freddie Mac Bulletin 2022-25 dated December 7, 2022, which announced new seasoning requirements on cash out refinance transactions for existing Mortgage being refinanced.

When proceeds of cash out refinance Mortgage are used to pay off a First Lien Mortgage, the First Lien Mortgage being refinanced must be seasoned for at least 12 months (i.e., at least 12 months must have passed between the Note Date of the Mortgage being refinanced and the Note Date of the cash-out refinance Mortgage), as documented in the Mortgage file (e.g., on the credit report or title commitment).

The new seasoning requirement does not apply when:

- The cash-out refinance Mortgage is a special purpose cash-out refinance Mortgage that meets the requirements in [Section 4301.6](#) (equity buyout of a co-owner), or
- The First Lien Mortgage being refinanced is a Home Equity Line of Credit (HELOC)

The new seasoning requirement is effective immediately. All loans that have been locked with old seasoning requirement, must be closed before **January 31, 2023**. Freddie Mac cash-out refinance loans with less than 12 months seasoning are not eligible on or after January 31, 2023, regardless of the lock expiration.

Reference Document:

<https://guide.freddiemac.com/app/guide/bulletin/2022-25#:~:text=When%20proceeds%20of%20a%20cash,of%20the%20cash%2Dout%20refinance>

If you have any questions regarding this announcement, please contact your manager or your assigned Account Executive.

Thank you,

FlexPoint Inc Team