



**Announcement:** CWL2021-06

**Issue Date:** May 11, 2021

**Effective Date:** May 11, 2021

**Attachment:** Conventional Guidelines; FHA Guidelines; FHA New Construction Financing Job Aid

**LPA Documentation of Funds to Close on a Refinance and FHA New Construction Financing Job Aid**

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**LPA Documentation of Funds to Close on a Refinance**

Freddie Mac will no longer require documentation of funds to close on refinance transactions under the following circumstances:

- Required borrower funds are \$500 or less, and
- No reserves are required in accordance with the Loan Product Advisor Feedback Certificate, and
- The mortgage is a Loan Product Advisor Mortgage with a Risk Class of Accept.

Conventional Guidelines have been updated with this flexibility. Loan Product Advisor messaging will be updated by June 7, 2021 to reflect this change.

**FHA New Construction Financing Job Aid**

To assist with identifying FHA new construction financing requirements, FHA New Construction Financing Job Aid has been created and a link to the job aid has been added to the FHA guidelines.