

## Freddie Mac Home Possible Mortgage

**The Guidelines below are in addition to the conventional matrix**

Eligibility	Home Possible
<b>Loan Purpose</b>	Purchase and No Cash out Refinances
<b>Eligible Property Types</b>	1-4 unit Primary Residence, Condos, & PUD
<b>Eligible Borrowers</b>	<ul style="list-style-type: none"> <li>• At least one borrower must occupy the mortgaged premises as a primary residence.</li> <li>• Non-occupant borrowers are permitted on mortgages secured by 1-unit properties when the LTV/TLTV/HTLTV ratio is less than or equal to 95 percent for Loan Product Advisor mtgs. (TLTV 105 percent with Affordable Seconds). See Guide Section 4501.7 for non-occupant borrower requirements.</li> <li>• The borrower must meet income limits. Loan Product Advisor will indicate income eligibility. For non-Loan Product Advisor mortgages, use the Home Possible Income &amp; Property Eligibility tool on FreddieMac.com.</li> <li>• With the exception of mortgage premises in a low-income census tract where there is no limit, the borrower's income, converted to an annual basis, must not exceed 100 percent of the county area media income (AMI) as determined by Loan Product Advisor.</li> </ul>
<b>Manufactured Housing</b>	Not Eligible
<b>Borrower Income Limits</b>	<p style="text-align: center;"><u>Home Possible Income &amp; Property Eligibility</u></p> <ul style="list-style-type: none"> <li>• No Income limits in underserved census tracts</li> <li>• <b>100% of area median income (AMI) for all other properties</b></li> </ul> <p style="text-align: center;">Note: Borrowers with income above the AMI may be eligible in high-cost areas</p>

Eligibility	Home Possible				
<b>Maximum LTV/TLTV/HTLTV Ratios</b>	<b>Property Type</b>				
	<b>LTV</b>				
	<b>TLTV</b>				
	<b>HTLTV</b>				
	<b>Home Possible</b>				
	1 Unit <sup>1</sup>	97%	105% <sup>2</sup>	97% <sup>2</sup>	
	<b>Home Possible Advantage</b>				
	2-4 Unit	95%	95%	95%	
<p><sup>1</sup>Super Conforming mortgages secured by 1-Unit properties must have LTV, TLTV, and HTLTV ratios ≤ 95%</p> <p><sup>2</sup>When the TLTV ratio exceeds 97%, the secondary financing subordinated to Home Possible mortgage must be an Affordable Second.</p>					
<b>Minimum Borrower Contribution, and Reserves</b>	<b>Minimum Contribution from Borrower Personal Funds (Purchase transactions only)</b>				
	<b>Property Type</b>	<b>Home Possible LTV/TLTV/HTLTV ratios ≤ 80%</b>	<b>Home Possible LTV/TLTV/HTLTV ratios ≥ 80% ≤ 95%</b>	<b>Home Possible LTV/TLTV/HTLTV ratios ≥ 95%</b>	
	1 unit	None	None	None	
	2 to 4 unit	None	3%	N/A	
	<b>Minimum Reserves</b>				
	<b>Property Type</b>	<b>Home Possible</b>			
	1 – Unit	As defined by Loan Product Advisor			
	2-4 Unit	As defined by Loan Product Advisor			
	<b>Permitted Source of Funds</b>	<ul style="list-style-type: none"> <li>Borrower personal funds or funds from family, employer assistance programs and secondary financing</li> </ul>			

<b>Secondary Financing</b>	<ul style="list-style-type: none"> <li>Permitting standard secondary financing, including HELOCs, for a Mortgage with a TLTV/HTLTV ratio of less than or equal to 97% (when the TLTV ratio is greater than 97%, the secondary financing must be an Affordable Second)</li> </ul>
<b>Credit Score</b>	<ul style="list-style-type: none"> <li>Per AUS findings when loan receives a risk class of "Accept"</li> <li>Minimum of 620               <ul style="list-style-type: none"> <li>Borrowers without credit scores may be underwritten for up to 95% LTV using LPA</li> </ul> </li> </ul>
<b>Manual Underwriting</b>	<ul style="list-style-type: none"> <li>Not permitted</li> </ul>
<b>Ownership in other property</b>	<ul style="list-style-type: none"> <li>Permitted without restriction</li> </ul>
<b>Sweat Equity</b>	<ul style="list-style-type: none"> <li>Not permitted</li> </ul>
<b>Rental Income</b>	<ul style="list-style-type: none"> <li>Evidence of receipt of regular payments of rental income for at least nine of the past 12 months, is required. The income must be averaged over 12 months when fewer than 12 months of payments are documented.</li> <li>Rental income from a 2-4 unit primary residence that meets Guide chapter 5306 may be used as qualifying income</li> </ul>
<b>Mortgage Insurance (MI) Coverage and Financed MI</b>	<ul style="list-style-type: none"> <li>25% MI Coverage for LTV's 90.01-97%</li> <li>Standard MI coverage for LTVs 90% or less</li> <li>Minimum FICO 700 if DTI exceeds 45%</li> </ul>
<b>Homeownership Education</b>	<ul style="list-style-type: none"> <li>At least one borrower must participate in a homeownership education program on a PURCHASE transactions when all borrowers are First-Time Homebuyers</li> <li>Landlord education (2-4 unit primary residence)               <ul style="list-style-type: none"> <li>At least one qualifying borrower must participate in a landlord education program</li> <li>Refinance transactions do not require the landlord education</li> </ul> </li> <li>Homeownership education documentation must be retained in the mortgage file</li> </ul> <p>Acceptable types of homeownership education:</p>

	<ul style="list-style-type: none"> <li>• Programs developed by HUD-approved counseling agencies</li> <li>• Programs developed by mortgage insurance companies</li> <li>• Programs that meet the standards of the National Industry Standards for Homeownership Education and counseling <u>Homeownership standards</u></li> <li>• FHLMC’s FREE “Credit Smart” <u>Credit Smart Homeownership</u></li> </ul>
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Product Codes		Helpful Links
30 Year Fixed	CF30 HomePossible	<a href="#">Home Possible home page</a>
20 Year Fixed	CF20 HomePossible	<a href="#">Home Possible Fact Sheet</a>
15 Year Fixed	CF15 HomePossible	<a href="#">Home Possible Advantage Fact Sheet</a>
		<a href="#">Freddie Mac Selling Guide via ALLREGS</a>