



## FREDDIE MAC Home Possible

Primary Residence						
Transaction Type	Number of Units	Maximum LTV/HCLTV				
		Conforming		Super Conforming		
Purchase & No Cash-Out Refinance	1	Fixed	ARM	Fixed	ARM	
			97%*	95%	95%*	95%
		2	95%	95%	85%	85%
	3-4	75%		80%	75%	

**Footnotes**

- Texas transactions: refer to the Geographic Restrictions section for additional guidance
- Refer to the Mortgage Insurance section for additional guidance 95% LTV/CLTV transactions

\*Max LTV/CLTV is 95%/105% if any non-occupant co-borrower

	Eligible	Ineligible
<b>Property Types</b>	<ul style="list-style-type: none"> <li>• Owner Occupied Principal Residence               <ul style="list-style-type: none"> <li>o SFR/PUD (detached/attached)</li> <li>o Condo (detached/low/mid/high rise)</li> <li>o 2-4 units</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Agricultural/Income producing properties</li> <li>• Non-Warrantable Condo/Condotel</li> <li>• Manufactured home</li> <li>• Earth homes, and geodesic domes</li> <li>• Co-ops</li> </ul>
<b>Minimum Loan Amount</b>	<p><b>Conforming</b></p> <p>\$60,000</p>	<p><b>High Balance</b></p> <p>\$1 &gt; Conforming loan limit for the number of units for high cost areas</p>
<b>Borrower Eligibility</b>	<p><b>Eligible</b></p> <ul style="list-style-type: none"> <li>• U.S. Citizens</li> <li>• Non-U.S. Citizens -Permanent / Non-Permanent</li> <li>• Inter Vivos Revocable Trusts</li> <li>• Non-occupant coborrower               <ul style="list-style-type: none"> <li>o Non-occupant coborrower is eligible for 1 unit only</li> <li>o Funds used to qualify may come from occupying and/or non- occupying coborrower</li> </ul> </li> <li>• No requirement for borrower(s) to be a First Time Homebuyer</li> </ul>	<p><b>Ineligible</b></p> <ul style="list-style-type: none"> <li>• Foreign National</li> <li>• LLC</li> </ul>
<b>Appraisal Requirements</b>	<ul style="list-style-type: none"> <li>• Full interior/exterior appraisal is required unless LPA offers an ACE finding for an appraisal waiver</li> </ul>	
<b>Ineligible Transactions</b>	<ul style="list-style-type: none"> <li>• Down payment assistance options</li> <li>• Community Seconds/Grants/Affordable Seconds</li> <li>• Mortgage Credit Certificate (MCC) programs</li> <li>• Sweat Equity</li> <li>• Texas 50(a)(6) loans</li> <li>• HomeStyle Renovation loans</li> </ul>	
<b>Loan Product Advisor (LPA)</b>	<p>LPA Eligible/Accept for loans underwritten using Freddie Mac guidelines</p> <ul style="list-style-type: none"> <li>• Manual Underwriting not permitted</li> <li>• Based on income, LPA will determine the income eligibility for Home Possible Mortgages</li> </ul> <p>Note: LPA feedback certificate will return Home Possible Mortgages offer message(s) - "This loan meets Home Possible income limits based on property location for address entered.</p> <ul style="list-style-type: none"> <li>• LPA Offering Identifier Home Possible Mortgages</li> <li>• Standard Agency underwriting and property guidelines apply unless specifically referenced within this matrix</li> </ul>	

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<b>Mortgage Insurance</b>	<ul style="list-style-type: none"> <li>• BPMI (monthly premium) is eligible</li> <li>• LPMI is not available</li> <li>• Financed/Custom/Reduced MI are not eligible</li> <li>• Acceptable renewal types are Level/Constant and Non-refundable</li> </ul>				
	<b>Standard – Required MI Coverage</b>				
	<b>Loan Term</b>	<b>LTV</b>			
		<b>80.01-85.00%</b>	<b>85.01-90.00%</b>	<b>90.01-95.00%</b>	<b>95.01-97.00%</b>
	<b>Fixed&lt;=20 year</b>	6%	12%	25%	25%
<b>Fixed&gt;20 year</b>	12%	25%	25%	25%	
<i>Note : ARMs MI coverage follow fixed &gt; 20 year table regardless of term, up to 95% LTV</i>					
<b>Homeownership Education and Housing Counseling</b>	<ul style="list-style-type: none"> <li>• Homeownership Education required prior to Note date for at least one qualifying borrower if all borrower(s) are First-Time Homebuyers</li> <li>• Homeownership education must not be provided by an interested party to the transaction including the originating lender</li> <li>• Homeownership Education Certification (exhibit 20) or similar document (such as the CreditSmart – Steps to Homeownership Certificate of Completion) containing comparable information must be retained in the mortgage file</li> <li>• The following types of Homeownership Education are acceptable: <ul style="list-style-type: none"> <li>o Programs developed by HUD-approved counseling agencies</li> <li>o Homeownership Education programs developed by mortgage insurance companies or other providers' programs that meet the standards of the National Industry Standards for Homeownership Education and Counseling</li> <li>o An alternative to the types listed above, CreditSmart- Steps to Homeownership Tutorial</li> </ul> </li> </ul>				
<b>Landlord Education (2-4 Unit Primary Residence)</b>	<ul style="list-style-type: none"> <li>• Purchase Transaction – At least one qualifying borrower must participate in a landlord education program prior to the Note date <ul style="list-style-type: none"> <li>o Landlord education must not be provided by an interested party to the transaction, the seller or the originating Lender</li> <li>o Copy of a certificate evidencing successful completion of the landlord education must be retained in the mortgage file</li> </ul> </li> <li>• Refinance Transactions – Landlord education is not required but is recommended by Agency for borrower(s) refinancing particularly those who have not previously attended</li> </ul>				
<b>Income</b>	<p>The following is general guidance and subject to LPA approval. Subject to approval</p> <ul style="list-style-type: none"> <li>• Two year employment history must be verified</li> </ul>				
<b>Qualifying Income Limits</b>					
<ul style="list-style-type: none"> <li>• LPA will determine if the qualifying income meets the income limits, or use the Home Possible Income &amp; Property Eligibility Tool</li> <li>• Determine whether or not the borrower(s) satisfied the income limits, the income must be calculated as described in Agency Guide 4501.9</li> <li>• Borrower's qualifying income must not exceed 80% of Area Median Income (AMI) limits</li> <li>• Income (O.T., bonus, etc.) not used to qualify the borrower is not required to be included in the income limit eligibility</li> </ul>					
<b>Salaried Borrowers</b>					
<ul style="list-style-type: none"> <li>• Current paystub dated within 120 days from the Note date</li> </ul>					
<b>Rental Income</b>					
Rental income (boarder income) from a 1 unit primary residence that meets the requirements of Agency Guide					
<b>Self-Employed Borrower</b>					
<ul style="list-style-type: none"> <li>• Business in existence for at least two years (as stated on application)</li> <li>• Personal/Business signed individual tax returns, including all pages and schedules</li> </ul>					

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Qualifying Rate	Fixed Rate	Initial Fixed-Rate Period of 5	Initial Fixed-Rate Period > 5														
	Qualify at the Note Rate	Qualify at the greater of the fully indexed rate or the Note rate + 2.0%	Qualify at the greater of the fully indexed rate or the Note rate	Qualify at the greater of the fully indexed rate or the Note rate													
<b>Per LPA Accept/Eligible findings; loans with MI may have more restrictive requirements</b>																	
Subordinate Financing	<ul style="list-style-type: none"> <li>Subordinate financing must comply with Agency Guide 4204.1</li> <li>Permitting standard secondary financing, including HELOCs, for a Mortgage with a CLTV/HCLTV ratio of less than or equal to 97%</li> <li>No Affordable Seconds</li> <li>Subordinate financing of a seller-held mortgage is ineligible with Home Possible Mortgages</li> </ul>																
Assets/Reserves	<ul style="list-style-type: none"> <li>Minimum contribution from borrower personal funds – Purchase Transaction &gt; 80% LTV: <table border="1" data-bbox="474 619 1409 716"> <thead> <tr> <th>Number of Units</th> <th>Minimum Borrower</th> <th>Minimum Down Payment</th> </tr> </thead> <tbody> <tr> <td>One</td> <td>None</td> <td>3%</td> </tr> <tr> <td>Two to Four</td> <td>3%</td> <td>15%</td> </tr> </tbody> </table> </li> <li>No minimum contribution required for ≤ 80% LTV/TLTV</li> <li>Acceptable source of funds for down payment and closing costs: <ul style="list-style-type: none"> <li>Borrower Personal Funds as described in Agency Guide 5501.3(b)</li> <li>Cash-on-hand permitted as described in Agency Guide 4501.10(i)(2) for requirements</li> </ul> </li> <li>Refer to MI company guidelines that would allow cash-on-hand for Home Possible Mortgages <ul style="list-style-type: none"> <li>Gift funds as described in Agency Guide 5501.3(c)</li> </ul> </li> <li>Refer to Agency Guide 4501.10 and 5100 for additional asset requirements</li> <li>Reserves must be verified as required by the LPA feedback certificate <ul style="list-style-type: none"> <li>1-unit: No reserves required</li> <li>2-4 unit: 2 months reserves required</li> </ul> </li> </ul>			Number of Units	Minimum Borrower	Minimum Down Payment	One	None	3%	Two to Four	3%	15%					
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Interested Party Contribution (IPC)	<table border="1" data-bbox="461 1066 1424 1129"> <thead> <tr> <th>LTV/CLTV &gt; 90%</th> <th>LTV/CLTV 75.01-90%</th> <th>LTV/CLTV ≤ 75%</th> </tr> </thead> <tbody> <tr> <td>3%</td> <td>6%</td> <td>9%</td> </tr> </tbody> </table>			LTV/CLTV > 90%	LTV/CLTV 75.01-90%	LTV/CLTV ≤ 75%	3%	6%	9%								
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Property Ownership	<ul style="list-style-type: none"> <li>At least one borrower must occupy the property as their primary residence</li> </ul>																
Additional Restrictions	<ul style="list-style-type: none"> <li>No MCC</li> <li>No Temporary Buydowns</li> </ul>																
Properties Listed for Sale	<ul style="list-style-type: none"> <li><b>No Cash-Out Refinance transactions:</b> Property must be taken off the market on or before the disbursement date and the borrower must confirm their intent to occupy the subject property (primary residence refinance transaction only)</li> </ul>																
Credit	<b>Mortgage/Rental History</b>																
	<ul style="list-style-type: none"> <li>Refer to the Freddie Mac guidelines</li> </ul>																
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<b>Collections and Non-Mortgage Charge-Off</b>																	
<ul style="list-style-type: none"> <li>Refer to the Freddie Mac guidelines</li> </ul>																	

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<b>Student Loans</b>	<ul style="list-style-type: none"> <li>• Student loans in repayment, deferment, or forbearance:</li> </ul>	
	<b>If</b>	<b>Then</b>
	Payment Reflected on Credit Report	May use that amount for qualifying purposes
	Payment Not Reflected on credit report	May use the monthly payment that is on the most recent student loan statement to qualify the borrower
	Credit report shows \$0	Use 0.5% of the outstanding loan balance reported on the credit report
	<ul style="list-style-type: none"> <li>• Student loan forgiveness, cancellation, discharge and employment-contingent repayment programs: Refer to the Freddie Mac guidelines</li> </ul>	
<b>Net Tangible Benefit</b>	<ul style="list-style-type: none"> <li>• Every refinance transaction must offer a documented, demonstrable, Net Tangible Benefit (NTB) to the borrower.</li> </ul>	
<b>Restrictions</b>	<p>Texas Limited Cash-Out Refinances</p> <ul style="list-style-type: none"> <li>• 1-Unit primary residence transactions <ul style="list-style-type: none"> <li>o Ineligible</li> <li>o Refer to the Texas Homestead Refinance Matrix (LPA)</li> </ul> </li> </ul>	