



# WHOLESALE BULLETIN

IMPORTANT INFORMATION: PLEASE READ IMMEDIATELY

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## 17W-023

Attention: Business Development Managers & Mortgage Brokers

March 9, 2017

Please take a moment to read the important information contained in this bulletin.

**Included in this Bulletin: Freddie Mac Home Possible and Home Possible Advantage**

Great news! Freddie Mac Home Possible and Home Possible Advantage are now available for loan reservations. Freddie Mac Home Possible mortgages offer outstanding flexibility and options to meet a variety of borrowers' needs. Home Possible Advantage offers more flexibility for maximum financing. This offering adopts the responsible and affordable flexibilities of Home Possible, but with additional requirements.

### Borrower Profile

- First-time homebuyers, move-up borrowers, and retirees.
- Families in underserved areas.
- Very low and low- to moderate-income borrowers.

### Borrower Benefits

- Stable monthly payments with fixed-rate mortgages.
- Flexible sources of funds.
- Reduced mortgage insurance coverage levels for LTV ratios greater than 90 percent.
- Minimum down payment of 3 percent allowed for Home Possible Advantage.

### Income Eligibility

Eligibility annual income is up to 100 percent of area median income. There are higher income limits in high cost areas and no income limit on properties located in any designated underserved area. Higher area median income limits mean broader borrower income eligibility so more borrowers qualify. Below are the **higher income limits** in the states where MWF does business.

State	Counties	Higher Income Limit
California	All Counties	140%
Oregon	Clackamas, Columbia, Multnomah, Washington, and Yamhill	120%
Washington	Clark, King, Pierce, Skamania, and Snohomish	120%

Loan Product Advisor will indicate income eligibility; or use the [Home Possible Income & Property Eligibility tool](#) on [www.FreddieMac.com](http://www.FreddieMac.com).

### Key Features

- Purchase and no cash out refinancing.
- Maximum 97 percent LTV and 105 percent TLTV ratios for Home Possible Advantage.
- No reserves required for 1-unit properties.

### Mortgage Insurance Coverage

LTV	Coverage for > 20 Years
80.01% - 85.00%	12%
85.01% - 90.00%	25%
90.01% - 95.00%	25%
95.01% - 97.00%	25%

### Affordable 2<sup>nd</sup> Mortgage

Home Possible Advantage loans allow Affordable Seconds. The Affordable Second TDs must comply with Freddie requirements and be provided by an Agency under an established, ongoing, documented secondary financing or financial assistance program. For a list of MWF approved affordable seconds, go to the [Affordable Housing Center](#) on our website and contact your Business Development Manager ensure conventional product types are acceptable for each program.

### Rental Income:

Rental income may be included if:

- There is a connection with borrower.
- Has been paid to the Borrower for the past 12 months on a regular basis.
- Does not exceed 30% of total income used to qualify for the Mortgage.
- The Mortgage file must contain a written statement from the Borrower affirming the source and residency.

### Homebuyer Education:

- FREE through Freddie Mac CreditSmart® – Steps to Homeownership Tutorial. Only five modules are required to obtain the Homebuyer Education Certificate.
- Various sources of homebuyer education are accepted.
- Only required for one borrower when all borrowers are first-time homebuyers.

### Resources:

[Freddie Mac Home Possible Website](#)

MWF [Freddie Mac Home Possible Product Matrix](#) for more details.