



## FREDDIEMAC HOME POSSIBLE

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### Conforming Fixed – Home Possible – LPA Accept

Program Codes: CF30HP

(Min: \$35,000)

Fully Amortizing Fixed Rate				
Property Type	Transaction Type	Max Loan	Max LTV/TLTV	Min FICO Score
<b>Primary</b>				
SFR/PUD/Condo	Purchase Rate/Term Refi	\$548,250	97%/105% <sup>1,2</sup>	Per LPA Min 620 <sup>3</sup>
2-4 Units			85%/95% <sup>2</sup>	
Manufactured			95%/95% <sup>2</sup>	

<sup>1</sup> If the TLTV is greater than 97%, secondary financing must be an Affordable Second.

<sup>2</sup> LTVs > 85%: be sure to check MI overlays.

<sup>3</sup> At least one borrower must have a credit score

<sup>4</sup> For locks on and after April 1, 2021, max LTV on 2-4 units is 85%



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<b>HOMEOWNERSHIP EDUCATION</b>	<ul style="list-style-type: none"> <li>• Homebuyer Education is "ONLY" required on purchase transactions when all borrowers are First Time Homebuyers. Refinance transactions do not require Homebuyer Education.</li> <li>• At least one qualifying Borrower must participate in a homeownership education program before the Note Date.</li> <li>• Homeownership education must <b>not</b> be provided by an interested party to the transaction, the originating lender or by the Seller.</li> <li>• Programs developed by HUD-approved counseling agencies, Housing Finance Agencies (HFAs) or Community Development Financial Institutions (CDFIs) are eligible.</li> <li>• Programs developed by mortgage insurance companies or other providers' programs that meet the standards of the National Industry Standards for Homeownership Education and Counseling are eligible.</li> <li>• As an alternative to the programs listed above, Freddie Mac's FREE financial literacy curriculum, <a href="#">Credit Smart®</a>, meets the homeownership education requirements.</li> </ul>
<b>LANDLORD EDUCATION (2-4 UNITS)</b>	<ul style="list-style-type: none"> <li>• Purchase Transactions — At least one qualifying Borrower must participate in a landlord education program before the Note Date, or the Effective Date of Permanent Financing for Construction Conversion and Renovation Mortgages. Landlord education must not be provided by an interested party to the transaction, the originating lender or the Seller.</li> <li>• A copy of a certificate evidencing successful completion of the landlord education program must be retained in the Mortgage file.</li> <li>• Refinance Transactions — Landlord education is not required but is recommended for Borrowers who have not previously attended a program.</li> <li>• May not be provided by an interested party to the transaction, the originating lender or by the Seller. May be provided by a Housing Finance Agency (HFA), HUD Approved Counseling Agency, a Community Development Financial Institution (CDFI) or by a mortgage insurance company. For example, the mortgage insurer MGIC has a free training program called Readynest: <a href="https://www.readynest.com/homebuyer-resources/landlord-test">https://www.readynest.com/homebuyer-resources/landlord-test</a>.</li> </ul>
<b>PRODUCT ELIGIBILITY</b>	<ul style="list-style-type: none"> <li>• Purchase</li> <li>• Rate/Term Refinance</li> </ul>



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<b>ELIGIBLE PROPERTY TYPES</b>	<ul style="list-style-type: none"> <li>• 1 Unit SFR</li> <li>• PUD</li> <li>• Condos</li> <li>• Manufactured</li> <li>• 2-4 Units</li> </ul>
<b>MANUFACTURED HOMES</b>	<ul style="list-style-type: none"> <li>• <b>Single Wide Manufactured Homes are not eligible</b></li> </ul>
<b>ELIGIBLE STATES</b>	<a href="#">Eligible States Matrix</a>
<b>NON OCCUPANT CO-BORROWER</b>	Permitted when: <ul style="list-style-type: none"> <li>• LTV/TLTV*/ Home Equity Line of Credit (HELOC) TLTV (HTLTV) ratio is less than or equal to 95%.</li> <li>• *A TLTV ratio of less than or equal to 105% is permitted for Mortgages with Affordable Seconds.</li> </ul>
<b>TEMPORARY BUYDOWNS</b>	Not Allowed
<b>AFFORDABLE 2<sup>ND</sup> MORTGAGE</b>	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. <ul style="list-style-type: none"> <li>• The source must not be the property seller or another interested party to the transaction.</li> <li>• The terms must not require a balloon payment due before the maturity or payment in full of the First Lien Mortgage.</li> <li>• The interest rate must not be more than 2% higher than the interest rate of the First Lien.</li> <li>• Interest accruals, which are added to principal, may not increase the total loan-to-value (TLTV) ratio beyond the maximum TLTV ratio allowed for the First Lien Mortgage at any time.</li> </ul>



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<b>AFFORDABLE 2ND MORTGAGE – SYSTEM INPUT</b>	<p>When submitting a Mortgage with an Affordable Second to Loan Product Advisor, enter the amount of the Affordable Second in the "Total Gift Fund" field of Loan Product Advisor instead of entering it into the "Subordinate Amount" field, provided that:</p> <ul style="list-style-type: none"> <li>• The Affordable Second does not require a payment before the Due Date of the 61st monthly payment, and</li> <li>• It meets all the other requirements for an Affordable Second stated in Section 4204.2</li> <li>• Except for entering the Affordable Second amount into Loan Product Advisor as a gift, include the Affordable Second as secondary financing in all circumstances</li> </ul>
<b>INCOME LIMITS</b>	<ul style="list-style-type: none"> <li>• The income used to qualify the Borrower converted to an annual basis must not exceed 80% of the Area Median Income.</li> <li>• Loan Product Advisor will determine the income eligibility of the Mortgage; the Home Possible Income &amp; Property Eligibility tool can be found here: <a href="http://www.freddiemac.com/homepossible/eligibility.html">http://www.freddiemac.com/homepossible/eligibility.html</a></li> </ul>
<b>RENTAL INCOME</b>	Allowed with the following stipulations:
<b>1 Unit</b>	<p>Rental income may be included if:</p> <ul style="list-style-type: none"> <li>• There is a connection with borrower</li> <li>• Evidence of receipt of regular payments of rental income for at least nine of the past 12 months, is required</li> <li>• The income must be averaged over 12 months when fewer than 12 months of payments are documented</li> <li>• Does not exceed 30% of total income used to qualify for the Mortgage</li> <li>• The Mortgage file must contain a written statement from the Borrower affirming the source and residency</li> <li>• Rental income from a 1-unit Primary Residence must be provided by a person who:                             <ul style="list-style-type: none"> <li>○ is not obligated on the Mortgage and does not have an ownership interest in the Mortgaged Premises</li> <li>○ Is not the Borrower's spouse or domestic partner</li> </ul> </li> </ul>



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<b>2-4 UNITS</b>	<p>If rental income from the subject 2- to 4-unit Primary Residence is being used to qualify the Borrower, the following requirements apply:</p> <ul style="list-style-type: none"> <li>• Must Use Form 998 unless the subject property has been owned for at least one year and is reported on Schedule E of the Borrower's prior year federal individual income tax return</li> <li>• The Form 998 is not required if rental income from the subject property is not considered in qualifying the Borrower</li> </ul> <p>Regardless of whether rental income is used in qualifying the Borrower, the ULDD Data Point Property Dwelling Unit Eligible Rent Amount for each non-owner occupied unit in a 2- to 4-unit Primary Residence must be included</p>						
<b>SWEAT EQUITY</b>	Not Allowed						
<b>AUS</b>	All Home Possible Mortgages must be submitted to Loan Product Advisor.						
<b>MANUAL UNDERWRITING</b>	Not Allowed						
<b>RATIOS</b>	Determined by LPA						
<b>ASSETS/RESERVES</b>	Determined by LPA						
<b>ACCEPTABLE SOURCES OF FUNDS</b>	<ul style="list-style-type: none"> <li>• Borrower Personal Funds including Cash on hand</li> <li>• Gifts or grants</li> <li>• MWF approved affordable seconds</li> <li>• Loan file must contain documentation confirming that the borrower's total monthly residual income available for savings is a positive number.</li> </ul>						
<b>MINIMUM BORROWER CONTRIBUTION (OWN FUNDS)</b>	<table border="1"> <thead> <tr> <th><u>Number of Units</u></th> <th><u>Min Borrower Contribution</u></th> </tr> </thead> <tbody> <tr> <td>1</td> <td>None</td> </tr> <tr> <td>2-4 Units</td> <td>LTV/TLTV &gt;80% &lt;= 95%: 3% of Value As of 01/08/21 for the 2-4 units the LTV is now 85%, the TLTV stays the same.</td> </tr> </tbody> </table>	<u>Number of Units</u>	<u>Min Borrower Contribution</u>	1	None	2-4 Units	LTV/TLTV >80% <= 95%: 3% of Value As of 01/08/21 for the 2-4 units the LTV is now 85%, the TLTV stays the same.
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1	None						
2-4 Units	LTV/TLTV >80% <= 95%: 3% of Value As of 01/08/21 for the 2-4 units the LTV is now 85%, the TLTV stays the same.						
<b>GIFT FUNDS</b>	<p>Are Allowed</p> <p>See Gift Section of the Conventional Underwriting Manual.</p>						



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<b>INTERESTED PARTY CONTRIBUTIONS</b>	<b>Residency</b>	<b>LTV</b>	<b>Maximum Contribution</b>
	Primary Residence	> 90% > 75 ≤ 90% ≤ 75%	3% 6% 9%
<b>OWNERSHIP OF OTHER PROPERTY</b>	<ul style="list-style-type: none"> <li>Effective for Notes dated on and after September 16, 2019, occupying borrower(s) must not have an ownership interest in more than two financed residential properties, including the subject property.</li> </ul> <p>When the LTV/CLTV &gt;95%, the borrower cannot retain ownership interest in other properties financed by U.S. Bank.</p>		
<b>MORTGAGE INSURANCE</b>	25% maximum mortgage insurance/custom mortgage insurance available Borrower Paid, Lender Paid and Split Premium MI are Available		
	<ul style="list-style-type: none"> <li>Required for all loans exceeding 80% LTV.</li> <li>If mortgage insurance is required, use the lesser of the sales price or appraised value to determine the appropriate coverage.</li> <li>Currently MWF does <u>not</u> offer Financed Split Premium Coverage.</li> <li>MWF only utilizes approved MI Companies and approved MI forms/endorsements.</li> </ul>		
	<b>LTV</b>	<b>Coverage for &gt; 20 Years</b>	
	80.01% - 85.00%	12%	
	85.01% - 90.00%	25%	
	90.01% - 95.00%	25%	
	95.01% - 97.00%	25%	
<b>Acceptable MI Companies</b>	<ul style="list-style-type: none"> <li><a href="#">Radian</a></li> <li><a href="#">MGIC</a></li> <li><a href="#">Genworth</a></li> </ul>		