



Freddie Mac Program Refi Possible				
Primary Residence				
Loan Purpose	Minimum Fico*	Max DTI	Units	Conforming Max LTV/TLTV
No Cash-out Refinance	620	65%	1	Fixed 97%/105% ^{1,2}
			Manufactured Home	95%
¹ Loans with Non-occupant borrowers are limited to 95% Max LTV.				
² Loans with resubordinated Affordable Seconds max TLTV of 105%			*Minimum Fico requirements determined by LPA all borrowers must have a fico score	
Matrix Updates in Yellow		Overlays in Green	Product Types	Max Cash Back
Maximum Loan Limits			Fixed Rate: 10-30 Year terms in annual increments	\$250
Property Type	Conforming Loan Limits ¹			
1 Unit	\$845,000		Property Types	Occupancy
			SFRs, PUDs, Warrantable Condo, Multi-Wide Manufactured Homes	Primary Residence only
Minimum Loan Amount			AUS	
\$75,000			All loans must receive LPA accept findings with Refi Possible eligibility	
FHLMC Loan Lookup			FHLMC Area Median Income Lookup	
FHLMC Loan Lookup			FHLMC Refi Possible Income Lookup	
Mortgage Insurance				
Standard mortgage insurance is used when required. Lender Paid MI with single premium is permitted. BPMI monthly and Single Premium allowed.				
Loan Term	LTV			
	80.01-85%	85.01-90%	90.01-95%	95.01-97%
25- & 30- Year Terms, Manufactured	12%	25%	30%	35%
10, 15, & 20 Year	6%	12%	25%	35%
General Eligibility				
Borrower Benefit	The refinance loan must provide the following benefits to the borrower: - A reduction in interest rate of at least 50 basis points, and - A reduction in the monthly payment that includes principle, interest and the mortgage insurance payment (if applicable)			
Borrower Income Limits	The borrower(s) income must be less than or equal to 100% of the applicable AMI limit for the subject property's location.			
Existing Loan Eligibility	The existing loan must: - be a conventional mortgage loan owned or securitized by Freddie Mac - be seasoned at least 12 months - not be subject to recourse, repurchase agreement, indemnification, outstanding repurchase demand, or credit enhancement. - No super conforming, temporary subsidy buydowns or Texas Equity Section 50(a)(6) Mortgage			
Net Tangible Benefit	The refinance transaction must result in both of the following: - A mortgage interest rate reduction of at least 50 basis points (bps) and, - A reduction in the Borrower's First Lien monthly principal, interest and mortgage insurance (if applicable) payment.			



New Loan Eligibility	The new Refi Possible loan must: • be a fixed-rate loan. • have maximum LTV, CLTV, and HCLTV ratios as permitted in the Eligibility Matrix. • be a limited cash-out refinance with cash out less than or equal to \$250. Excess proceeds may be applied as a curtailment on the new loan. • have a loan limit that conforms to the general loan limits (high-balance loans are not permitted). • not be a Texas Section 50(a)(6) loan. • one time use only cannot refinance a Refi Possible into another Refi Possible • may not be combined with a Home Possible refinance transaction.
Credit Requirements	
Age of Documents	• 120 Days for Credit Report, Income, Asset and Appraisal • 90 days Title All items are measured from Note Date
Acceptable Borrowers	• have identical borrowers on the new loan as the existing loan. • New borrowers cannot be added or removed. One or more borrowers may only be removed if: • the remaining borrower(s) meet the payment history requirements and provides evidence that they have made at least the last 12 months of payments from their own funds (including any secondary financing, or • due to the death of a borrower documented in the loan file. Non-occupant co-borrowers are permitted if he/she is on the existing loan. • A maximum LTV, CLTV, and HCLTV ratio of 95% applies, (CLTV ratio may be up to 105% when a Community Seconds is being resubordinated).
Borrower Eligibility	Eligible Borrowers: • Must have legal residency and valid Social Security Number • US Citizens, Permanent Residents and Non-Permanent Resident Aliens (No DACA) • Inter-Vivos Revocable Trusts Ineligible Borrowers: • Foreign Nationals • Limited and General Partnerships • Irrevocable Trusts • ITIN borrowers
Secondary Financing	No new secondary financing is permitted for Refi Possible • Existing junior lien must be subordinated to the Refi Possible Mortgage • Must meet the requirements for secondary financing in Freddie Mac Guide Section 4204.1
Credit Refresh/Soft Pull/Undisclosed Debt Monitoring	Required within 10 calendar days of Note date. UDM will be ran on all files. Any additional inquiries found on soft pull/UDM must be addressed by borrower.
Contingent Liability	A contingent liability may be excluded from liabilities when meeting the requirements below: Installment (not including Mortgages), Revolving, Monthly Lease Payment: • A party other than the Borrower has been making timely payments for the most recent 12 months (regardless of whether the party is obligated on the debt) • The party making the payments is not an interested party to the subject real estate or Mortgage transactions. Mortgage: Documentation must indicate the following: • A party other than the Borrower has been making timely payments for the most recent 12 months



Contingent Liability Continued	• The party making the payments is obligated on the Note for the Mortgage that is being excluded • The party making the payments is not an interested party to the subject real estate or Mortgage transaction
DTI	Per LPA findings
Derogatory Credit	Follow LPA Feedback
Federal Income Tax Installment Agreements	The debt may include the monthly payment amount in liabilities (in lieu of requiring payment in full) if: • There is no indication that a Notice of Federal Tax Lien has been filed against the borrower in the county in which the subject property is located. • The lender obtains the following documentation for agreements approved by the IRS: ○ an approved IRS installment agreement with the terms of repayment, including the monthly payment amount and total amount due; and ○ evidence the borrower is current on the payments associated with the tax installment plan. Acceptable evidence includes the most recent payment reminder from the IRS, reflecting the last payment amount and date and the next payment amount owed and due date. ○ At least one payment must have been made prior to closing. • For installment agreements still pending approval from the IRS: ○ A copy of the application for the installment agreement with the terms of repayment, including the monthly payment amount and total due. ○ Proof installment agreement has been sent to the IRS ○ The greater of the monthly payment amount requested by the borrower or the amount of taxes owed divided by 72 must be included in the DTI.
Mortgage Payment History	The Mortgage being refinanced cannot have a payment history that indicates more than the following: • 30 days delinquent in the most recent six months • 30 days delinquent more than once in the most recent 12 months • 60 or more days delinquent in the most recent 12 months.
Non-Occupant Borrowers	• Permitted to 95% LTV with Accept/Eligible transactions. • Non-occupant co-borrower cannot be an interested party to the transactions (for example, the builder, seller or broker).
Open-End or 30-day accounts	• When there is no monthly payment listed on the credit report or if there is no documentation indicating a monthly payment amount, the full amount of the outstanding account balance must be included in the DTI or • Monthly payments on 30-day accounts are not required to be included in the liabilities if the Borrower has sufficient funds to pay off the outstanding account balance. The funds must be in addition to any funds used to qualify the Borrower.
Refinance Seasoning	All Refinances must have: • At least one Borrower on the mortgage was a borrower on the mortgage being refinanced; OR • At least one Borrower on the mortgage held title to and resided in the subject property as Primary Residence for the most recent 12 months and can document that the Borrower, either: ○ Has been making timely mortgage payments, including secondary financing, for most recent 12 months; OR ○ Is related to a borrower on the mortgage being refinanced. ○ At least one Borrower on the refinance Mortgage inherited or was legally awarded the subject property.



Refinance Seasoning, Con't	<u>No Cash-Out Refinance</u> • Paying off an existing Purchase transaction - 1 day on title subject to above • Paying off an existing Refinance transaction - 31 days from existing Note date to new Note date of the "no Cash-out" refinance loan. <u>Cash Out</u> – Unallowable on Refi Possible Program
Solar Panels (Leased or PPA)	• Solar Lease or Power Purchase Agreement must be obtained and reviewed. • If the solar panels are included in Title and UCC fixture filing remain, the solar debt secured in real estate must be included in the CLTV ratio and subordination is required. The solar panel can then be included and given value in the property appraisal based on standard appraisal requirements. • The monthly lease payment must be included in the DTI ratio calculation unless the lease is structured to ○ provide delivery of a specific amount of energy at a fixed payment during a given period, and ○ have a production guarantee that compensates the borrower on a prorated basis in the event the solar panels fail to meet the energy output required for in the lease for that period. • Payments under power purchase agreements where the payment is calculated solely based on the energy produced may be excluded from the DTI ratio
Student Loan Qualification	Student Loans in Repayment, Deferment or Forbearance: • If the monthly payment amount is greater than \$0, use the monthly payment amount reported on the credit report or file documentation, OR • If the monthly payment amount reported on the credit report is \$0, use 0.5% of the outstanding loan balance as reported on credit report. Student loan forgiveness, cancellation, discharge and employment-contingent repayment programs: The student loan payment may be excluded from the monthly DTI ratio provided the Mortgage file contains documentation that indicates the following: • The student loan has ten or less monthly payments remaining until the full balance of the student loan is forgiven, canceled, discharged or in the case of an employment-contingent repayment program, paid, OR • The monthly payment on a student loan is deferred or is in forbearance and the full balance of the student loan will be forgiven, canceled, discharged or in the case of an employment-contingent repayment program, paid at the end of the deferment or forbearance period AND • The Borrower is eligible or approved for student loan forgiveness, cancellation, discharge or employment-contingent repayment program, and is not aware of any circumstances that will make the Borrower ineligible in the future. Evidence of eligibility or approval must come from the student loan program or the employer, as applicable.
Income / Assets	
Amended Tax Returns Overlay	• Amended tax returns must be filed at least 30 days prior to the contract date or application date whichever is earlier • An income increase of 20% or more from the original return will not be allowed or subject to management approval
Income Increase Overlay	Borrowers who have had a 20% or more increase in income within the last 4 months will be subject to additional conditions and management review as per our internal income increase policy.



School Transcript Revalidation Policy	We will revalidate school transcripts when supplied as part of income review	
Rental Income from 1 unit Primary: Accessor Dwelling Unit / Boarder Income	Rental income from a 1-unit Primary Residence may be considered stable monthly income provided it meets the following: • The person providing the rental income: ○ Is not obligated on the Mortgage and does not have an ownership interest ○ Has resided with the Borrower for at least one year ○ Will continue residing with the Borrower in the new residence ○ Evidence of residency with the Borrower (i.e., copy of a driver's license, bill, bank statement, etc., that shows the address of that person to be the same as the Borrower's address) ○ Is not the Borrower's spouse or domestic partner • Rental income from the person residing in the Mortgaged Premises: ○ Has been paid to the Borrower for the past 12 months ○ Can be verified by the Borrower with evidence showing receipt of regular payments of rental income to the Borrower for at least nine of the past 12 months (i.e., copies of canceled checks) ○ Must be averaged over 12 months for qualifying purposes when fewer than 12 months of payments are documented ○ Does not exceed 30% of total income used to qualify for the Mortgage • The Mortgage file must contain a written statement in the form of a signed letter or e-mail directly from the Borrower affirming: ○ The source of the rental income ○ The fact that the person providing the rental income has resided with the Borrower for the past year and intends to continue residing with the Borrower in the new residence for the foreseeable future	
Assets	Per LPA. • 1-month account statement (only required if funds to close is greater than \$500). • Source any single large deposits that exceeds 50% of the total monthly qualifying income for Purchase transactions.	
Reserves	Per LPA	
Income Documentation Requirements	The Following Table describes the income documentation requirements	
	Income Type	Minimum Income Requirements
	Base Non-Fluctuating Employment (Primary only)	• YTD paystub dated no earlier than 30 days prior to the loan application date. • 10-day pre-closing VOE
	Fluctuating hourly employment (primary only) Tip, bonus, overtime and commission income	• YTD paystub dated no earlier than 30 days prior to the loan application date. • W2 for the most recent calendar year • 10-day pre-closing VOE
	Self-employment	• One year's personal and business tax returns, and • Verification of the current existence of the business through a third-party source



	Alimony, Child Support, or Separate Maintenance	• Copy of divorce decree, separation agreement, court order or equivalent documentation, and • one month documentation of receipt
	Military	• Most recent leave and earnings statement
	For all other income sources	• Standard guide requirements apply
Tax Transcripts	• All loans require a signed 8821 form. Additional 8821 form is required to be signed by Borrower's LLC, S-Corp or Corporation Name and EIN • Tax Transcripts are required for: ○ Self-employed borrowers ○ Borrower employed by family member ○ Using rental income to qualify per tax returns ○ Relationship between the parties	
Property		
Appraisal Requirements	Standard Appraisal: • Transferred Appraisal Accepted • Freddie SSR score on Appraisal must be 4.9 or below. A Freddie SSR score of 5 is not acceptable. • A \$500 credit will be provided to the borrower when an standard appraisal is required and obtained at closing. Appraisal Waiver accepted per LPA	
Escrow Accounts	Required if LTV is > 90% in CA or > 80% in all other states.	
Escrow Holdback	• Allowed for repairs that do not present a health or safety concern and do not affect the structural integrity of the property. • \$5,000 limit on required repairs. • 1.5 times the repair to be held by escrow and released upon clearance by Revolution Funding written authorization. • Repairs to be completed within 10 days of closing	
Manufactured Homes	• Fixed Rate, Fee Simple Only • Property must not be located in a deed restricted area including restrictions for age and income • HUD Data Plates (Paper Certification located on the interior of the property) or IBTS Verification • Built on or after June 15, 1976 • Built on a permanent chassis in compliance with the applicable Manufactured Homes (HUD Codes) in effect as of the date the Manufactured Home was constructed. • Must be at least 12 feet wide (single-wide not allowed) and have a minimum of 600 square feet of gross living area. • Must be legally classified as real property; it must be a 1-unit dwelling that is permanently affixed to a permanent foundation • Manufactured Condos not allowed • Flood insurance required for properties in flood zone • Manufactured homes must be on original site, relocated homes are not permitted • HUD Certification Labels (metal plates attached) or IBTS Verification if not attached to the property • New Construction will require a Structural Engineer’s report to show that the property is designed to be used as a dwelling with permanent foundation and meets HUD requirements	



	• Additions to the property are permitted and must be underwritten in accordance with Freddie Mac Selling Guide. See MFH FAQ • Borrower must own the land on which the home is located • Affidavit of Affixture (or its equivalent) to evidence property is classified and taxed as real property
Ineligible Properties Ineligible Properties Continued	• No Community Land Trusts, Land Trusts, • Indian Leased Land, Vacant land • Property Condition rating C5 or 6, Quality condition Q6 • Non-Warrantable Condo, Condo-tels, Co-Ops, Manufactured Condos • Commercial Property, Boarding houses, Bed and Breakfast • Working Farms • Green Choice Mortgage • One Time Close Construction to Perm Loans • No shared appreciation or shared equity transactions
Multiple Financed Properties	When the subject is a primary residence – unlimited financed properties are allowed.
Maximum Loan Exposure	We will not extend more than 4 active loans to any one individual or an aggregate of \$2 million.
Properties Listed for Sale	Rate/Term Transactions: Property must be taken off the market prior to application date and borrowers must confirm the intent to occupy for (primary residence).
LLPA Waiver Requirements	• Total qualifying income is at or below 100% of the applicable AMI
State Restrictions	• Please see our approved states