



Freddie Mac Home Possible Conforming				
Primary Residence				
Loan Purpose	Minimum Fico*	Units	Conforming Max LTV/CLTV	
Purchase or No Cash-out Refinance	620	1	Fixed 97% ¹	
		Manufactured	95%	
		2 units	95% ¹	
		3-4 Units	95% ^{1,2}	
¹ ATLTV ratio may be permitted up to 105% when secondary financing is an affordable second.				
² ARM LTV for 3-4 Units 85% max conforming				
*Minimum Fico requirements determined by LPA all borrowers must have a fico score				
Matrix Updates in Yellow		Overlays in Green	Product Types	
Maximum Loan Limits			Fixed Rate: 10-30 Year terms in annual increments Arm: 30 Year Term Only	
Property Type	Conforming Loan Limits ¹	Super Conforming Loan Limits		
1 Unit	\$845,000	\$1,267,500	Property Types	
2 Unit	\$1,081,950	\$1,622,925	SFRs, PUDs, Warrantable Condo, 2-4 Unit	
3 Unit	\$1,307,800	\$1,961,700	AUS	
4 Unit	\$1,625,350	\$2,438,025	All loans must receive LPA Accept findings	
¹ Actual loan limits for specific counties in high-cost areas, as determined by FHFA, may be lower than the max permitted loan limit listed above.			Minimum Loan Amount	
			\$75,000	
			Borrower Income Limits	
			LPA will determine the income eligibility of the mortgage. It may not exceed 80% AMI for the property location.	
			Freddie Mac Area Median Income Lookup Tool	
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%	25%	25%
10, 15 & 20 Year	6%	12%	25%	25%

Home Possible	
95.01%-97% LTV Financing	- Fixed to 30 years, High Balance and ARMs are not permitted above 95% LTV 1 unit Principal Residence only. Manufactured not permitted All borrowers must occupy. Non-occupants are not allowed. No Cash-Out Refinance - Existing loans being refinanced must be owned or securitized by Freddie Mac. Document via lender's servicing system, FHLMC's loan look up tool or Servicer Letter.



Temporary Buydowns	Buydown Options: • 3-2-1- LTV is capped at 90% • 2-1 • 1-1 • 1-0 Offering Seller Paid Buydown options only • Non-Owner Transactions are ineligible • Refinance Transactions are ineligible Ineligible Property Types: • 3-4 Unit Properties not eligible on Home Possible Mortgages • Manufactured Homes with affordable second mortgages are not eligible for the Home Possible product. CLICK HERE for Buydown Calculator				
ARM Product Requirements	Adjustable rates and Margin offered: • 5/6, 7/6, 10/6 • 2.75 Margin • ARMS must be 30-year terms. Index: the 30-day average of the overnight Secured overnight financing rate (SOFR) as published by the Federal Reserve Bank of New York. Life Floor is the Margin				
	Interest rate caps & adjustments	Product	First	Subsequent	Lifetime
		5/6	2%	1%	5%
		7/6 & 10/6	5%	1%	5%
	Change Date	5/6	The first change date is the 61 st payment due date. Subsequent change dates are every 6 months thereafter		
		7/6	The first change date is the 85 th payment due date. Subsequent change dates are every 6 months thereafter		
		10/6	The first change date is the 121 st payment due date. Subsequent change dates are every 6 months thereafter.		
	ARM Qualifying Rate • 5/6 ARM: Greater of the Fully Indexed Rate or the Note Rate + 2% • 7/6 and 10/6 ARM: Qualify at Note Rate for loans that are not HPML • HPML is not permitted on 7/6 and 10/6 ARMS.				
	ARM Restrictions • 5/6 ARM is not permitted on Manufactured homes. • Temporary buy downs are not permitted on ARM products • Conversion options are not available. • 3-4 Unit max LTV for Conforming HP 85%				
	Credit Requirements				
Age of Documents	• 120 Days for Credit Report, Income, Asset and Appraisal • 90 days Title All items are measured from Note Date				
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				



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.
DTI	Per LPA findings
Debt paid by Borrower's Business	When a self-employed Borrower is obligated on a debt that has been paid by the Borrower's business for 12 months or longer, the monthly payment for the debt may be excluded from the monthly debt payment-to-income ratio if the following requirements are met: • The Mortgage file contains evidence that the debt has been paid timely by the Borrower's business for no less than the most recent 12 months, and • The tax returns evidence that business expenses associated with the debt (e.g., interest, lease payments, taxes, insurance) have been reported and support that the debt has been paid by the business
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.
Homebuyer Education	If all occupying buyers are first-time homebuyers, homeownership education is required for at least 1 borrower.
Interested Party Contributions	Maximum Interested Party Contributions: • >90% LTV, IPC limited to 3% • 75.01-90%, IPC is limited to 6% • 75% or less LTV, IPC is limited to 9%
Landlord Education (2-4 Unit Primary)	• A copy of a certificate evidencing successful completion of the landlord education program must be included in file. • Purchase — At least one qualifying Borrower must participate in a landlord education program before the Note Date. Landlord education must not be provided by an interested party to the transaction. • Refinance — Landlord education is not required but is recommended for Borrowers who have not previously attended a program



Non-Occupant Borrowers	Permitted for LTVs 95% and below. TLTV up to 105% permitted with Affordable Seconds.
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. <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 Home 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
Income/Assets	
Amended Tax Returns Overlay	- Amended tax return 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: Accessory 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				
Borrower Income Limits and Calculations	• Total annual qualifying income may not exceed 80% of the AMI for the property's location. • If the loan has resale restrictions, the more restrictive Home Possible income limit or the resale restriction income limit applies. • Base earnings for both non-fluctuating and fluctuating employment must be considered before any other income type (commission, bonus, overtime, tips) may be considered.				
Borrower Minimum Contribution from Personal funds for Purchase		Number of Units	TLTV ≤ 80%	TLVT ≥ 80%	
		1	None	None	
		Manufactured home	None	None	
		2-4 Units	None	3% Value	
Reserves	Per LPA				
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. • Appraisal Waiver accepted per LPA except for the following: • Two- to four-unit properties. • Non-Arm's length transactions				



Appraisal Requirements Continued	- Leasehold properties. - Community land trusts or other properties with resale restrictions, which include loans using the Affordable LTV feature. - Manufactured homes - Purchases of REO properties as identified in sales contract - Texas Section 50(a)(6) loans. Desktop Appraisals: - Must be on form #70D 1-Unit Purchase Transactions Only - Max LTV is 90% - Primary Residence transactions only - Condominium and Manufactured homes are ineligible Hybrid Appraisal: - LPA must indicate Hybrid Appraisal is acceptable - Must be on form #70H (SFR) or Form 465H (Condo Hybrid report) - Property Data Report (PDR) must be completed first and provided to appraiser 2-4 Unit properties & Manufactured homes are ineligible Property Data Report: - LPA must indicate ACE+PDR is acceptable or Hybrid appraisal is acceptable - Must be completed on Property Data Report form acceptable by LPA - Manufactured homes are ineligible - All PDR reports must be submitted to Freddie Mac bACE API Appraisal Waiver accepted per LPA except for the following: - Two- to four-unit properties. - Non-Arm's length transactions - Leasehold properties. - Community land trusts or other properties with resale restrictions, which include loans using the Affordable LTV feature. - Manufactured homes - Purchases of REO properties as identified in sales contract - Texas Section 50(a)(6) loans.
Escrow Accounts	Required if LTV is > 90% in CA or > 80% in all other states.
Down Payment Assistance (DPA)	Allowed per FHLMC guidelines
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 Nations Direct written authorization. - Repairs to be completed within 10 days of closing.
Ineligible Properties	- No Community Land Trusts, Land Trusts, - Indian Leased Land, Vacant land - Property Condition rating C5 or 6, Quality condition Q6 - Appraisal Risk score of 5 - 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 - Manufactured homes with deed restrictions



Manufactured Homes	• Primary Residence and Second Home Only • Conforming loan limits only • 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 400 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
Multiple Financed Properties	Occupant borrowers may not have more than 2 financed properties
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)
State Restrictions	• Please see our approved states