

Freddie Mac Home Possible
Summary

Product Types	30yr, 25yr, 15yr and 10yr Fixed, 5/1, 7/1 & 10/1 ARMS
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For the Home Possible income and property eligibility requirements, go to <http://www.freddiemac.com/homepossible/eligibility.html>

Conforming & Super Conforming Limits
Home Possible

Loan Purpose	Minimum FICO	Units	Max LTV	Max TLTV	Max HTLTV
Fixed Rate Mortgages					
Purchase/Rate and Term Refinance	620	1*	97%	105%**	97%**
		2-4 Units	95%	95%	95%
5/1, 7/1 & 10/1 ARMs					
Purchase/Rate and Term Refinance	620	1-2 Units	95%	95%	95%
		3-4 Units	75%	75%	75%
		Man Homes	95%	7/1 & 10/1 Only	

* Super conforming Mortgages secured by 1-unit properties must have LTV, TLTV and HTLTV ratios not exceeding 95%.

A 105% TLTV ratio is permitted when secondary financing is an Affordable Second

** When the TLTV ratio exceeds 97%, the secondary financing subordinated to a Home Possible Mortgage must be an Affordable Second. The Affordable Second financing cannot be a Home Equity Line of Credit.

Requirements and Eligibility

Occupancy	<ul style="list-style-type: none"> At least one borrower must occupy the Mortgaged Premises as their Primary Residence
Non-Occupant Coborrower	<p>Non-occupying Borrowers are permitted provided that:</p> <ul style="list-style-type: none"> The Mortgage is secured by a 1-unit property The loan-to-value (LTV), total LTV (TLTV) and Home Equity Line of Credit (HELOC) TLTV (HTLTV) ratios must not exceed: <ul style="list-style-type: none"> 95% for Loan Product Advisor Accept Mortgages, except that for fixed-rate Mortgages with Affordable Seconds®, the TLTV ratio must not exceed 105% Funds used to qualify for the Mortgage may come from the occupying and/or the non-occupying Borrower
Ownership of other property	<ul style="list-style-type: none"> The occupying borrower(s) must not have an ownership interest in more than two financed residential properties, including the subject property, as of the Note Date.
Income Limits	<ul style="list-style-type: none"> Loan Product Advisor will determine the income eligibility of the Mortgage The borrowers' annual income cannot exceed 80% of the area median income limits for the area where the property is located. All income reported on the Uniform Residential Loan Application must be verified All reported income that is verified and meets the criteria for stable monthly income must be used to qualify the borrower and submitted to Loan Product Advisor.
Loan Purpose	<ul style="list-style-type: none"> Purchase No cash-out refinance
Eligible Property	<ul style="list-style-type: none"> 1-4 unit primary residence (SFR, 2-4 units, Condo, PUD & Manufactured Home)
Eligible Mortgages	<ul style="list-style-type: none"> Fixed-rate mortgages with an original maturity not greater than 30 years 5/1, 7/1 or 10/1 ARMs with an original maturity not greater than 30 years on 1-to 2-unit property
Mortgage Insurance Coverage	<p>Fixed rate term ≤ 20 years</p> <ul style="list-style-type: none"> 80.01% - 85% LTV requires 6% coverage 85.01% - 90% LTV requires 12% coverage 90.01% - 97% LTV requires 25% coverage <p>Fixed rate term > 20 years & ARMS</p> <ul style="list-style-type: none"> 80.01% - 85% LTV requires 12% coverage 85.01% - 97% LTV requires 25% coverage <p>***No custom mortgage insurance allowed***</p>
Secondary Financing	<ul style="list-style-type: none"> No new secondary financing allowed Existing 2nds must be an Affordable Housing Second with no payment (silent second) Cannot be a HELOC Cannot be an RHS Leveraged Second
Credit Score Requirement	<ul style="list-style-type: none"> All borrower's must have a usable credit score and the loan must receive an accept through LPA
Debt Ratios	<ul style="list-style-type: none"> No Max Determined by LPA
Minimum Borrower Contribution	<ul style="list-style-type: none"> 1 Unit - No minimum contribution from borrowers personal funds required 2-4 units require 3% borrower's own funds if great than 80% LTV
Source of Funds	<ul style="list-style-type: none"> Funds must meet all Freddie Mac requirements
Reserves	<ul style="list-style-type: none"> 2-4 – Per LPA, 2 months minimum
Temporary Buy-downs	<ul style="list-style-type: none"> Not allowed
Homebuyer Education	<ul style="list-style-type: none"> For purchase transaction Homeownership education is required before the Note Date for at least one qualifying borrower if all borrower(s) are First Time Homebuyers Homeownership education must be provided by a party not involved in the sale or financing of the property

	<ul style="list-style-type: none"> • A copy of Exhibit 20, Homeownership Education Certification, or another document containing comparable information must be provided • The following types of homeownership education are accept able: <ul style="list-style-type: none"> ○ Programs using Freddie Mac’s CreditSmart® financial education curriculum, provided modules 1,2,7,11 and 12 are included, or access the Credit Smart-Steps to Homeownership Tutorial (http://www.FreddieMac.com/creditsmart/tutorial.html)
Landlord Education	<ul style="list-style-type: none"> • For purchase transaction mortgages secured by 2 to 4 unit Primary Residences, 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 • Not required for refinances
Underwriting	<ul style="list-style-type: none"> • No manual underwrites