

# YOUR HOSTS



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**You're  
muted**

# DISCLAIMER

- This training is for Mortgage Professional Use Only
- Information contained within this training is subject to change



**FIRST TIME HOME BUYER PROGRAM  
TRAINING FOR BROKERS**

# AGENDA

Definition of a First Time Home Buyer

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Programs we will be Covering

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Program Comparisons

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AUS Requirements

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Benefits of the Programs

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AMI Requirements

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Homeownership Education Requirements and Options

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VLIP Program – ***COMING SOON!***

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How to become an approved broker

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Q&A

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# Definition of a First Time Home Buyer

- ✓ Purchasing the Mortgaged Premises
- ✓ Will Reside in the Home as a Primary Residence
- ✓ Had no ownership interest (sole or joint) in a residential property during the three-year period preceding the purchase date



# Programs



Fannie Mae® | HomeReady®

Home Possible® Mortgage

Freddie Mac  
SINGLE-FAMILY

ALL FOR  
HOME

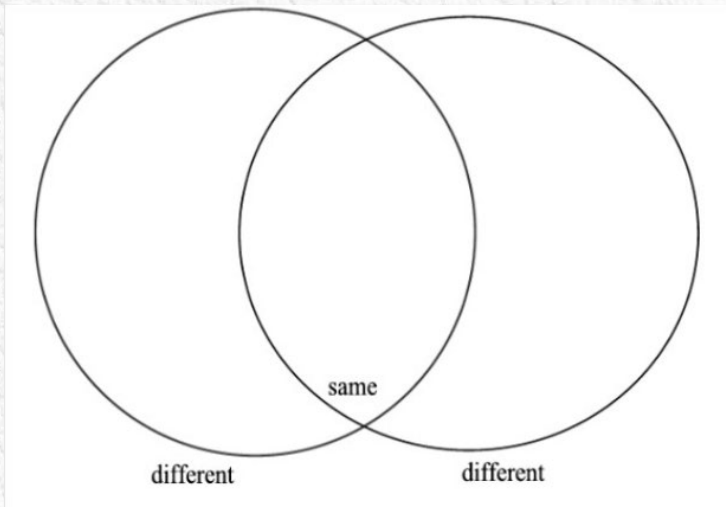
This banner features an aerial view of a residential neighborhood. A green bar at the bottom contains the text "Home Possible® Mortgage". On the right side, there is a blue box with the "Freddie Mac SINGLE-FAMILY" logo and the slogan "ALL FOR HOME" in blue and green text.

HomeOne® Mortgage

Freddie Mac  
Single-Family

This banner features an aerial view of a residential neighborhood. A green bar at the bottom contains the text "HomeOne® Mortgage". On the right side, there is a blue box with the "Freddie Mac Single-Family" logo.

# Program Comparison Similarities



- Purchase and No Cash Out Transactions Permitted
- 97% Loan to Value for Purchase of 1-unit Primary Residence
- 105% TLTV when Secondary Financing is an Affordable Second
- Mortgage Insurance is Cancelable (unlike government-insured loans)
- No Minimum Borrower Contribution on 1-unit properties



# Program Differences

	Fannie Mae HomeReady	Freddie Mac Home Possible	Freddie Mac HomeOne
<b>Borrower Requirements</b>	Not required to be a First Time Home Buyer (FTHB)		At least one borrower must be a FTHB
<b>Occupancy Requirements</b>	Allows for non-occupant co-borrowers		All borrowers must occupy the property as their primary residence
<b>Income Limits</b>	80% of Area Median Income (AMI)		No income limits
<b>Property Types</b>	1-unit principal residence, including eligible condos, co-ops, PUDs, and manufactured housing 2- to 4-unit principal residence (no condos, co-ops, or manufactured housing)	1-4 units, condos, co-ops and planned-unit developments; manufactured homes are eligible with certain restrictions.	1-unit properties, including condominiums and units in Planned Unit Developments are eligible. <b>Manufactured Homes not permitted.</b>

# AUS Requirements

We do not manually underwrite Fannie or Freddie programs; therefore, all loans must receive an AUS Accept.

DTI and Reserve Requirements, if applicable are determined by the Automated Underwriting System (AUS).



# Benefits



- 3% down payment with Affordable Community Second opportunities



- Flexible source of funds with no minimum contribution from the borrower's own funds



- Cancellable mortgage insurance, and Reduced MI coverage requirement for LTVs over 90%

## Sample borrower payment scenario: FHA, HomeReady, and Fannie Mae standard

<b>30-year fixed-rate scenario</b> <b>Purchase price: \$250K</b>	<b>FHA mortgage</b> Note rate: 6.25% LTV: 96.50%	<b>HomeReady Mortgage</b> Note rate: 6.5% LTV: 97%	<b>Fannie Mae standard</b> Note rate: 6.75% LTV: 97%*
Base loan amount	\$241,250	\$242,500	\$242,500
Upfront MIP rate (%)	1.75%	0%	0%
Upfront MIP cost (\$)	\$4,222	\$0	\$0
Total loan amount	\$245,472	\$242,500	\$242,500
Down payment	\$8,750	\$7,500	\$7,500
Monthly MI rate (%)	0.85%	0.77%	0.96%
Monthly MI (\$)	\$171	\$156	\$194
Principal/interest monthly payment	\$1,485	\$1,533	\$1,573
Monthly payment	\$1,656	\$1,689	\$1,767
<b>After approximately 5 years ... with an annual home appreciation rate of 3%**</b>			
Monthly MI premium	\$171 Cannot be canceled	\$0***	\$0***
Total monthly payment	\$1,656	\$1,533	\$1,573

\* The borrower must be a first-time homebuyer to be eligible for a 97% LTV Fannie Mae standard loan; for non-first-time homebuyers, the maximum LTV is 95%.

\*\* Assuming 3% annual home appreciation, the loan would reach an LTV ratio below 80% after approximately 61 months.

\*\*\* Assuming non-lender paid MI.

Source: [Why Choose HomeReady Flyer](#)

# Area Median Income Requirement



Fannie Mae Area Median Income Lookup Tool

Enter an address or 11-digit FIPS code



Tool Tips

Map Satellite

- 80% of Area Median Income (AMI) required for HomeReady and Home Possible Programs
- HomeOne does not have an AMI limit

DTS - Duty to Serve  
LI - Low Income  
VLI - Very Low Income

High Needs Rural Rural County Area

*Each Lender must determine borrower and loan eligibility in accordance with the Selling Guide and its Lender Contract. Nothing in this service is intended to vary or modify any of Lender's obligations under its Lender Contract.*

Google

Map data ©2024 Google, INEGI 200 km Terms

# Homeownership Education Requirement

## How does counseling work and what are the benefits?

### WHO

Housing counseling, also known as advising, is best suited for borrowers facing complex challenges – those who need one-on-one assistance to develop a deep understanding of their housing needs, household budget, and how to resolve potential issues.

### WHAT

Counseling is described as customized assistance that addresses a buyer's unique financial circumstances and housing issues. Counseling also includes an education component that may be delivered one-on-one or via classroom or self-guided online programs.

### WHEN

Counseling should occur as early as possible and before a buyer selects a home. Required components must be completed before a buyer enters into a contract to purchase a home.

### HOW

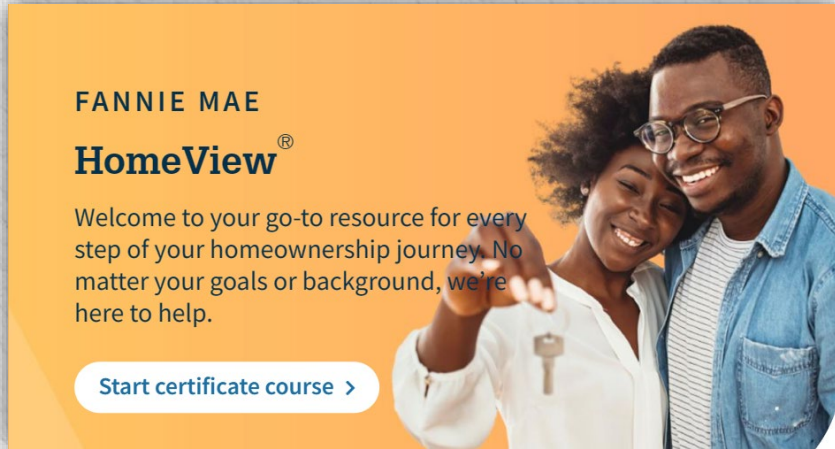
The assistance **must meet HUD standards** and cover the content detailed on the Certificate of Completion of Housing Counseling, which must be signed by the buyer and the HUD counselor. By signing the form, the HUD counselor certifies that the assistance provided meets HUD standards and our requirements.

### BENEFITS

Helps borrowers gain essential knowledge to prepare for sustainable homeownership and fulfills the HomeReady homeownership education requirement.

Source: [How to Fulfill Education Requirement by Fannie Mae](#)

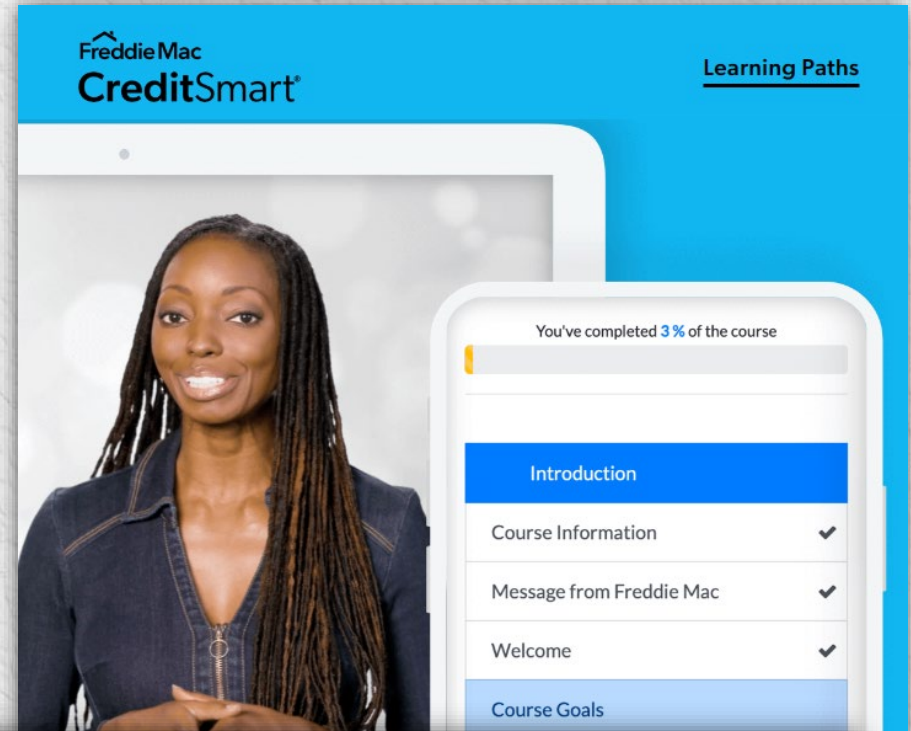
# Homeownership Education Options



FANNIE MAE  
**HomeView**<sup>®</sup>

Welcome to your go-to resource for every step of your homeownership journey. No matter your goals or background, we're here to help.

[Start certificate course >](#)



Freddie Mac  
**CreditSmart**

Learning Paths

You've completed 3% of the course

Introduction	
Course Information	✓
Message from Freddie Mac	✓
Welcome	✓
Course Goals	

- [Fannie Mae HomeView](#)
- [Freddie Mac CreditSmart](#)
- [Nationally HUD-Approved Housing Counseling Agencies](#)

## NATIONALLY HUD-APPROVED HOUSING COUNSELING AGENCIES

Below is a list of nationally approved agencies who can assist you if you are unable to locate an agency near you. You can visit their websites for additional information and contact them for assistance with your housing goals or concerns.

# Coming Soon! VLIP Program

New \$2,500 in Down Payment Assistance



A \$2,500 very-low-income purchase (VLIP) borrower credit that can be used for down payment or closing costs, including mortgage insurance premiums will be **COMING SOON!**



This is part of an initiative by Fannie Mae and Freddie Mac to address some of the barriers to entry for very low-income purchase borrowers.



To qualify as a VLIP borrower, they must have qualifying income of less than or equal to 50% of the applicable area median income (AMI) versus 80%.



# Resources

Fannie Mae HomeReady	Freddie Mac Home Possible	Freddie Mac HomeOne
<ul style="list-style-type: none"> <li>• <a href="#">Fact Sheet</a></li> <li>• <a href="#">Flyer</a></li> <li>• <a href="#">Product Matrix</a></li> <li>• <a href="#">FAQs</a></li> <li>• <a href="#">Borrower Checklist</a></li> <li>• <a href="#">Conversation Starters</a></li> <li>• <a href="#">AMI Lookup Tool</a></li> <li>• <a href="#">How to Fulfill Education Requirement</a></li> <li>• <a href="#">Fannie Mae HomeView - Certificate Course</a></li> </ul> <p><b><u>Additional Training</u></b></p> <ul style="list-style-type: none"> <li>• <a href="#">HomeReady Overview for Loan Officers</a></li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">Fact Sheet</a></li> <li>• <a href="#">Flyer</a></li> <li>• <a href="#">FAQs</a></li> <li>• <a href="#">Full Guidelines</a></li> <li>• <a href="#">Eligible and Ineligible</a></li> <li>• <a href="#">Home Possible Income &amp; Property Eligibility Tool</a></li> <li>• <a href="#">Freddie Mac Credit Smart – Certificate Course</a></li> </ul> <p><b><u>Additional Training</u></b></p> <ul style="list-style-type: none"> <li>• <a href="#">Income Eligibility Tutorial</a></li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">Fact Sheet</a></li> <li>• <a href="#">FAQs</a></li> <li>• <a href="#">Flyer</a></li> </ul>

# How to Become an Approved Broker?

Our Website: [myndm.com](https://myndm.com)



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[Become an Approved Broker](#)



# How to Become an Approved Broker?

Our Website: [myndm.com](http://myndm.com)

## Get Approved

### STEP 01

Please complete these two forms, so we can create your logins.  
Once this is completed, you will be able to start submitting.

[Compensation Form](#)

[Contact Form](#)

Send Forms once complete to:

[ApprovalDesk@myndm.com](mailto:ApprovalDesk@myndm.com)

If your company wishes to partner, we welcome you to complete our application by clicking on the button below. Thank you for considering Nations Direct Mortgage.

[Broker Package](#)

[Branch Addition Form](#)

[Express DSCR Addendum](#)

[Annual Recertification Agreement](#)



*Thank You*