

Freddie Mac - Home Possible

Amended 8/16/18

Program	Loan Purpose	Occupancy	Units	LTV	CLTV	Credit Score	DTI
Home Possible Advantage	Purchase and Rate/Term	Primary Residence	1 unit	97% ¹	105% ¹	620 Min	Per LPA
Home Possible			1-4 unit	95%	95%		

Note: ¹ - LTV's > 95%: All new and existing subordinate financing must be an Affordable Second. HELOC not allowed.

General	<ul style="list-style-type: none"> Eligible Term: 30 Year Fixed Rate Minimum Loan Amount: \$75,000 Agency conforming loan limits available Occupancy - Primary Residence Only AUS - LPA Accept Only (manual underwrite not allowed); Must indicate Offering Identifier and FHLMC Affordable Lending Product "HomePossible" or "Home Possible Advantage" must be selected Minimum Credit Score - 620
Loan Limits	<ul style="list-style-type: none"> Maximum per Agency Conforming Limits Minimum \$75,000
Loan Purpose	<ul style="list-style-type: none"> Purchase Rate & Term <ul style="list-style-type: none"> 2-4 units available under Home Possible Only
Ineligible Transactions	<ul style="list-style-type: none"> Borrower may not act as an interested party to a sales transaction for the subject if the builder and/or property seller is a company owned by the borrower or where the borrower is a principal agent, sales agent, loan originator, mortgage broker or partner for the builder or property seller. Realtor/loan broker acting as the listing agent as well as the mortgage originator/broker. Borrower is a principal of the title company and/or settlement agent for the subject transaction.
Ownership of other Property	<p>Occupant borrower(s) may not have an ownership interest in any other residential property as of Note date except as stated below:</p> <p>The borrower does not currently occupy the property and documents AND</p> <ul style="list-style-type: none"> The borrower inherited their ownership interest in the property and shares ownership with another party, OR The borrower owns the property with another party and the debt associated with the property was assigned to the other party by a court order, OR The borrower is a cosigner/guarantor on the related Mortgage debt and someone other than the borrower has made payments on the mortgage debt for the most recent 12 months cancelled checks or statements from the lender.
CREDIT	
Credit Scores	LPA will determine credit eligibility. At least 1 Borrower must have a FICO score.
DTI/INCOME/ASSETS	
Acceptable Sources of Funds for Down Payment and Closing Costs	<ul style="list-style-type: none"> Personal gifts or grants from a qualified entity, employer assistance allowed after the minimum borrower contribution has been met. Minimum borrower contribution from own funds MUST be met before other acceptable sources of funds are permitted Cash-on-Hand - Documentation that the borrower is a cash-basis individual and that the cash on hand is not borrowed and could be saved by the borrower. <p>The loan file must contain the following documents to support Cash-Basis Borrower</p> <ul style="list-style-type: none"> Loan file must have no indication that the borrower typically uses checking, savings or similar accounts The credit report shows maximum of three tradelines for the Borrower. The updated credit report obtained one week before closing does not show any new accounts or a substantial increase to balances on already existing accounts that exceeds the amount of cash on hand provided by the Borrower The Freddie Mac's Exhibit 23 Monthly Budget and Residual Analysis or similar form confirms that the total monthly residual income available for savings is a positive number. Copies of six months' cash receipts such as rent or utility receipts or other alternative documentation (e.g., direct verifications or wire transfers) verifying that all recurring obligations, including the payment of revolving and installment debt, are paid in cash
Borrower Income Limits	<ul style="list-style-type: none"> Borrowers' annual income cannot exceed 100% of the area median income (AMI) limit of the subject property. No income limits apply if the property is located in an Underserved Area located in low-census tract, which is the median tract income < 80% of the AMI. All reported income that is verified and meets the criteria for stable monthly income must be used to qualify the borrower and submitted to LPA <p>http://www.freddiemac.com/homepossible/eligibility.html</p>

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Maximum DTI Ratios	Per LPA																			
Rental Income from 1 unit Primary Residence	<ul style="list-style-type: none"> • The rental payments that any borrower receives from one or more individuals who reside with the borrower (but who are not obligated on the mortgage debt and may or may not be related to the borrower) may be considered as acceptable stable income when qualifying for a one-family property, in an amount of up to 30% of the total gross income that is used to qualify the borrower for the mortgage if: <ul style="list-style-type: none"> • Connection with Borrower - The person providing the rental income and the Borrower: <ul style="list-style-type: none"> o Have resided together for at least one year, and o Will continue residing together in the new residence, and o The person providing the rental income provides appropriate documentation to evidence 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). • Rental payment - Rental income from the person residing in the Mortgaged Premises: Has been paid to the Borrower for the past 12 months on a regular basis <ul style="list-style-type: none"> o Can be verified by the Borrower with evidence showing receipt of regular payments of rental income to the Borrower for the past 12 months (i.e., copies of cancelled checks) o Does not exceed 30% of total income used to qualify for the Mortgage. • Other Documentation - The Mortgage file must contain a written statement from the Borrower affirming: <ul style="list-style-type: none"> o The source of the rental income o 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. o Accessory Unit Income : Rental income that meets the above requirements may be generated from an accessory unit. 																			
Reserves	Per LPA																			
PROPERTY																				
Appraisal	<ul style="list-style-type: none"> • ACE when applicable • Full Interior and Exterior Appraisal that meets FHLMC requirements • Transferred Appraisals are allowed 																			
Eligible Properties	<ul style="list-style-type: none"> • 1 unit (Attached/Detached SFRs and PUDs) • Warrantable Condos • 2-4 Units 																			
Ineligible Properties	<ul style="list-style-type: none"> • Leased Land • Manufactured Homes • Commercial properties • Condotels • Geodesic dome/Geothermal homes • Log homes • Mixed use • Mobile homes • Non-warrantable condos • Timeshares • Working farms, ranches, orchards • Builder / developed-owned • Properties with Q6 quality rating • Properties with C5 or C6 condition rating • Properties secured with PACE obligations or PACE like assessments 																			
Mortgage Insurance	<ul style="list-style-type: none"> • Loans with > 80% LTV require Mortgage Insurance and are subject to MI guidelines • BPMI is available with monthly and single premium • LPMI is available as single premium and is based on program LTV eligibility • Reduced Cost and Lower Cost MI is not permitted • Renewal must be Level/Constant and Non-Refundable • Approved MI companies are Radian, Arch MI and National MI <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse; text-align: center;"> <thead> <tr style="background-color: #e6f2ff;"> <th colspan="4">Required MI Coverage</th> </tr> <tr style="background-color: #e6f2ff;"> <th rowspan="2">Loan Term</th> <th colspan="3">LTV</th> </tr> <tr style="background-color: #e6f2ff;"> <th>80.01 - 85%</th> <th>85.01 - 90%</th> <th>90.01 - 97%</th> </tr> </thead> <tbody> <tr> <td>30 Year</td> <td>12%</td> <td>25%</td> <td>25%</td> </tr> <tr> <td>15 Year</td> <td>6%</td> <td>12%</td> <td>25%</td> </tr> </tbody> </table>	Required MI Coverage				Loan Term	LTV			80.01 - 85%	85.01 - 90%	90.01 - 97%	30 Year	12%	25%	25%	15 Year	6%	12%	25%
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Property Type	Home Possible Advantage: 1 unit only Home Possible: 1-4 unit																			
MISCELLANEOUS																				
Age of Documents	<ul style="list-style-type: none"> • 90 Days for Income, Assets and Prelim • 120 Days for Appraisal and Credit • All items are measured from final date on document to Note Date. 																			
Borrower's Authorization for Counseling	All borrowers on the loan must sign the Borrower's Authorization for Counseling form, which states that the borrowers agree to enter post purchase counseling if they default or become delinquent on their loan. This document must be signed at closing by all borrowers.																			

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Borrower Eligibility	<p>Occupant Borrowers Only Non-Occupant co-borrower's not allowed</p> <p>Eligible Borrowers:</p> <ul style="list-style-type: none"> US Citizens Permanent Resident Aliens and Non-Permanent Resident Aliens with legal residency status Inter-Vivos Revocable Trusts <p>Ineligible Borrowers (note that this is not a complete list):</p> <ul style="list-style-type: none"> Non-Occupant Co-borrowers Foreign Nationals Limited & General Partnerships Irrevocable Trusts 								
Impounds	Required if LTV is > 90% in CA or > 80% in all other states.								
Landlord Counseling	<ul style="list-style-type: none"> Landlord counseling is required for borrowers purchasing two-, three-, or four-unit properties. Prior to closing, all borrowers must participate in a landlord counseling program conducted by a recognized community counseling organization. Evidence of completion of the home-buyer education session must be documented in the individual loan file by a certificate or letter from the counseling provider. 								
Minimum Borrower Contribution	<table border="1" style="margin: auto;"> <thead> <tr style="background-color: #0056b3; color: white;"> <th>Number of Units</th> <th>Minimum Borrower</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">One</td> <td style="text-align: center;">None</td> </tr> <tr> <td style="text-align: center;">Two</td> <td style="text-align: center;">3%</td> </tr> <tr> <td style="text-align: center;">Three or Four</td> <td style="text-align: center;">3%</td> </tr> </tbody> </table>	Number of Units	Minimum Borrower	One	None	Two	3%	Three or Four	3%
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Prepurchase Homeownership Education	<ul style="list-style-type: none"> Homeownership education required prior to note date for at least 1 borrower on all transactions (purchase and LCOR) Homeownership education must not be provided by an interested party to the transaction. Homeownership education certificate must be retained in the mortgage file 								
Texas 50a6	Not Allowed								