

# Freddie Mac Home Possible

Program Guidelines & Matrices



ResMac **B2B**

Freddie Mac Home Possible Mortgage	
The Guidelines below are in addition to the conventional matrix	
Eligibility	Home Possible
<b>Loan Purpose</b>	Purchase and No Cash out Refinances
<b>Eligible Property Types</b>	1-4 unit Primary Residence, Condos, & PUD
<b>Eligible Borrowers</b>	<ul style="list-style-type: none"> <li>At least one borrower must occupy the mortgaged premises as a primary residence.</li> <li>Non-occupant borrowers are permitted on mortgages secured by 1-unit properties when the LTV/TLTV/HTLTV ratio is less than or equal to 95 percent for Loan Product Advisor mtgs. (TLTV 105 percent with Affordable Seconds). See Guide Section 4501.7 for non-occupant borrower requirements.</li> <li>The borrower must meet income limits. Loan Product Advisor will indicate income eligibility. For non-Loan Product Advisor mortgages, use the Home Possible Income &amp; Property Eligibility tool on FreddieMac.com.</li> <li>With the exception of mortgage premises in a low-income census tract where there is no limit, the borrower's income, converted to an annual basis, must not exceed 100 percent of the county area media income (AMI) as determined by Loan Product Advisor.</li> </ul>
<b>Manufactured Housing</b>	Not Eligible
<b>Borrower Income Limits</b>	<p><u>Home Possible Income &amp; Property Eligibility</u></p> <ul style="list-style-type: none"> <li><b>80% of area median income (AMI) for all properties</b></li> </ul>

Eligibility	Home Possible				
<b>Maximum LTV/TLTV/HTLTV Ratios</b>	Property Type	Maximum LTV/TLTV/HTLTV ratios for conforming Mortgages			
	1 Unit	97% <sup>1</sup>			
	2 Unit	95%			
	3-4 Unit	95%			
<sup>1</sup> A TLTV ratio exceeding 97% and up to 105% is permitted when secondary financing is an Affordable Second®					
<b>Minimum Borrower Contribution, and Reserves</b>	<b>Minimum Contribution from Borrower Personal Funds (Purchase transactions only)</b>				
	Property Type	Home Possible LTV/TLTV/HTLTV ratios ≤ 80%	Home Possible LTV/TLTV/HTLTV ratios ≥ 80% ≤ 95%	Home Possible LTV/TLTV/HTLTV ratios ≥ 95%	
	1 unit	None	None	None	
	2 to 4 unit	None	3%	N/A	
	<b>Minimum Reserves</b>				
	Property Type	Home Possible			
	1 – Unit	As defined by Loan Product Advisor			
	2-4 Unit	As defined by Loan Product Advisor			
	<b>Permitted Source of Funds</b>	<ul style="list-style-type: none"> <li>Borrower personal funds or funds from family, employer assistance programs and secondary financing</li> </ul>			

<b>Secondary Financing</b>	<ul style="list-style-type: none"> <li>Permitting standard secondary financing, including HELOCs, for a Mortgage with a TLTV/HTLTV ratio of less than or equal to 97% (when the TLTV ratio is greater than 97%, the secondary financing must be an Affordable Second)</li> </ul>
<b>Credit Score</b>	<ul style="list-style-type: none"> <li>Per AUS findings when loan receives a risk class of "Accept"</li> <li>Minimum of 620               <ul style="list-style-type: none"> <li>Borrowers without credit scores may be underwritten for up to 95% LTV using LPA</li> </ul> </li> </ul>
<b>Manual Underwriting</b>	<ul style="list-style-type: none"> <li>Not permitted</li> </ul>
<b>Ownership in other property</b>	<ul style="list-style-type: none"> <li>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, or the Effective Date of the Permanent Financing for Construction Conversion and Renovation Mortgages.</li> </ul>
<b>Sweat Equity</b>	<ul style="list-style-type: none"> <li>Not permitted</li> </ul>
<b>Rental Income</b>	<ul style="list-style-type: none"> <li>Evidence of receipt of regular payments of rental income for at least nine of the past 12 months, is required. The income must be averaged over 12 months when fewer than 12 months of payments are documented.</li> <li>Rental income from a 2-4 unit primary residence that meets Guide chapter 5306 may be used as qualifying income</li> </ul>
<b>Mortgage Insurance (MI) Coverage and Financed MI</b>	<ul style="list-style-type: none"> <li>25% MI Coverage for LTV's 90.01-97%</li> <li>Standard MI coverage for LTVs 90% or less</li> <li>Minimum FICO 700 if DTI exceeds 45%</li> </ul>

<b>Homeownership Education</b>	<ul style="list-style-type: none"> <li>• At least one borrower must participate in a homeownership education program on a PURCHASE transactions when all borrowers are First-Time Homebuyers</li> <li>• Landlord education (2-4 unit primary residence)             <ul style="list-style-type: none"> <li>○ At least one qualifying borrower must participate in a landlord education program</li> <li>○ Refinance transactions do not require the landlord education</li> </ul> </li> <li>• Homeownership education documentation must be retained in the mortgage file</li> </ul> <p>Acceptable types of homeownership education:</p> <ul style="list-style-type: none"> <li>• Programs developed by HUD-approved counseling agencies</li> <li>• Programs developed by mortgage insurance companies</li> <li>• Programs that meet the standards of the National Industry Standards for Homeownership Education and counseling <u><a href="#">Homeownership standards</a></u></li> <li>• FHLMC's FREE "Credit Smart" <u><a href="#">Credit Smart Homeownership</a></u></li> </ul>
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Product Codes		Helpful Links
30 Year Fixed	CF30 HomePossible	<u><a href="#">Home Possible home page</a></u>
20 Year Fixed	CF20 HomePossible	<u><a href="#">Home Possible Fact Sheet</a></u>
15 Year Fixed	CF15 HomePossible	<u><a href="#">Home Possible Advantage Fact Sheet</a></u>
		<u><a href="#">Freddie Mac Selling Guide via ALLREGS</a></u>