


Effective for Mortgages with Settlement Dates on and after July 29, 2018





This reference provides a summary of requirements for Freddie Mac Home Possible® Mortgages, and Freddie Mac Home Possible Advantage® Mortgages. Home Possible Advantage offers additional flexibility of higher loan-to-value (LTV) and total loan-to-value (TLTV) ratios. For complete requirements, refer to Guide Chapter 4501: Purchase of Home Possible Mortgages.



Feature	Home Possible	Home Possible Advantage
Occupancy	All Borrowers must occupy the Mortgaged Premises as their Primary Residence.	Same
Ownership of Other Residential Property	Borrower(s) may not , as of the Note Date, or the Effective Date of Permanent Financing for Construction Conversion and Renovation Mortgages, have an ownership interest in any other residential properties, except when : The Borrower does not occupy the property, and the Seller documents the following in the Mortgage file: <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 (e.g. divorce decree), or ▪ The Borrower is a cosigner/guarantor on the related Mortgage debt and someone other than the Borrower has made payments on the debt associated with the property for the most recent 12 months, as documented with copies of canceled checks or a statement from the lender. 	Same
Income Limits	<ul style="list-style-type: none"> ▪ The Borrowers' annual qualifying income must not exceed 100% of the area median income (AMI) for the location of the Mortgaged Premises as indicated in Guide Section 4501.7 ▪ No income limits apply if the Mortgaged Premises is located in a low-income census tract, which is a census tract where the median tract income is at or below 80% of the AMI 	To determine whether the Borrower's income exceeds the income limits, the Seller must rely on the income used to qualify the Borrower and submitted to Loan Product Advisor for Loan Product Advisor Mortgages.

Note: Vertical revision bars "|" are used in the margin of this quick reference to highlight new requirements and significant changes.

Feature	Home Possible	Home Possible Advantage
Income Limits (continued)	<ul style="list-style-type: none"> ▪ To determine whether the Borrower's income exceeds the income limits, the Seller must rely on the income used to qualify the Borrower and submitted to Loan Product Advisor® for Loan Product Advisor Mortgages. <p>For Loan Product Advisor Mortgages, Loan Product Advisor will determine the income eligibility of the mortgage; for Non-Loan Product Advisor mortgages, the Seller must use the Home Possible Income & Property Eligibility tool. The Seller may not use other published AMI versions to determine mortgage or product eligibility.</p>	
	 <p>As an alternative to our affordable offerings, the HomeOneSM Mortgage provides an option for Borrowers without specific income or geographic restrictions. Refer to Guide Chapter 4605 for more information.</p>	
Loan Purpose	<ul style="list-style-type: none"> ▪ Purchase ▪ No cash-out refinance 	Same
Eligible Property	<ul style="list-style-type: none"> ▪ 1- to 4-unit primary residence ▪ Manufactured Home (refer to Guide Chapters 4501 and 5703). 	1-unit primary residence, that is not a Manufactured Home.
Eligible Mortgages	<ul style="list-style-type: none"> ▪ First Lien Mortgages that are fully amortizing. ▪ Conventional fixed-rate mortgages with an original maturity not greater than 30 years. ▪ 5/1 or 5/5 with an original maturity not greater than 30 years on 1- top 2-unit property, <i>excluding Manufactured Homes</i>. ▪ 7/1 or 10/1 ARMs with an original maturity not greater than 30 years on 1- to 2-unit property. ▪ Home Possible Mortgages secured by a Manufactured Home meeting the requirements of Guide Chapter 4501 and Guide Section 5703.3. ▪ Home Possible Mortgages with Rural Housing Service (RHS) Leveraged Seconds meeting the requirements in Guide Section 4205.2. ▪ Construction Conversion and Renovation Mortgages originated in accordance with Guide Chapter 4602 are permitted. 	<ul style="list-style-type: none"> ▪ First Lien Mortgages that are fully amortizing. ▪ Conventional fixed-rate mortgages with an original maturity not greater than 30 years ▪ Construction Conversion and Renovation Mortgages originated in accordance with Guide Chapter 4602 are permitted.

Feature	Home Possible	Home Possible Advantage																																						
LTV/TLTV/ HLTIV	<ul style="list-style-type: none"> Purchase and No Cash-out Refinance <table border="1" data-bbox="370 331 920 533"> <thead> <tr> <th>Property Type</th> <th>Maximum LTV/TLTV/HLTIV Ratio</th> </tr> </thead> <tbody> <tr> <td>1- to 4-unit</td> <td>95%</td> </tr> <tr> <td>Manufactured Home</td> <td>See Guide Chapter 5703</td> </tr> </tbody> </table> <ul style="list-style-type: none"> No minimum LTV ratio 	Property Type	Maximum LTV/TLTV/HLTIV Ratio	1- to 4-unit	95%	Manufactured Home	See Guide Chapter 5703	<ul style="list-style-type: none"> Purchase and No Cash-out Refinance <table border="1" data-bbox="948 331 1487 533"> <thead> <tr> <th>Property Type</th> <th>Maximum LTV Ratio</th> <th>Maximum TLTV* Ratio</th> </tr> </thead> <tbody> <tr> <td>1-unit</td> <td>97%</td> <td>105%</td> </tr> <tr> <td>Manufactured Home</td> <td>N/A</td> <td>N/A</td> </tr> </tbody> </table> <p>*Secondary financing must be an Affordable Second® and the Affordable Second may not be a HELOC</p> <ul style="list-style-type: none"> No minimum LTV ratio 	Property Type	Maximum LTV Ratio	Maximum TLTV* Ratio	1-unit	97%	105%	Manufactured Home	N/A	N/A																							
Property Type	Maximum LTV/TLTV/HLTIV Ratio																																							
1- to 4-unit	95%																																							
Manufactured Home	See Guide Chapter 5703																																							
Property Type	Maximum LTV Ratio	Maximum TLTV* Ratio																																						
1-unit	97%	105%																																						
Manufactured Home	N/A	N/A																																						
Mortgage Insurance Coverage Levels (Standard & Custom)	<table border="1" data-bbox="375 709 1484 1087"> <thead> <tr> <th colspan="6">Home Possible and Home Possible Advantage Mortgages</th> </tr> <tr> <th rowspan="2">Transaction Type</th> <th rowspan="2">MI Coverage</th> <th colspan="4">LTV Ratio</th> </tr> <tr> <th>>80% & ≤85%</th> <th>>80% & ≤90%</th> <th>>90% & ≤95%</th> <th>>95% & ≤97%</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Fixed-rate, term ≤ 20 years</td> <td>Standard</td> <td>6%</td> <td>12%</td> <td>25%</td> <td>25%</td> </tr> <tr> <td>Custom¹</td> <td>N/A</td> <td>N/A</td> <td>16%</td> <td>18%</td> </tr> <tr> <td rowspan="2">Fixed-rate, term > 20 years; ARMS; and manufactured homes²</td> <td>Standard</td> <td>12%</td> <td>25%</td> <td>25%</td> <td>25%</td> </tr> <tr> <td>Custom¹</td> <td>6%</td> <td>12%</td> <td>16%</td> <td>18%</td> </tr> </tbody> </table> <ul style="list-style-type: none"> Custom Mortgage insurance is only available for Accept Mortgages. Lender-paid and financed mortgage insurance premiums described in Guide Section 4701.2 are permitted with standard mortgage insurance; however, not permitted with custom mortgage insurance. <p>¹If custom mortgage insurance is chosen, in addition to all other applicable delivery fees, the custom mortgage insurance delivery fee in Exhibit 19 applies, including on Home Possible Mortgages.</p> <p>²Manufactured Homes are limited to a maximum LTV ratio of 95% and are not eligible for Home Possible Advantage.</p>		Home Possible and Home Possible Advantage Mortgages						Transaction Type	MI Coverage	LTV Ratio				>80% & ≤85%	>80% & ≤90%	>90% & ≤95%	>95% & ≤97%	Fixed-rate, term ≤ 20 years	Standard	6%	12%	25%	25%	Custom ¹	N/A	N/A	16%	18%	Fixed-rate, term > 20 years; ARMS; and manufactured homes ²	Standard	12%	25%	25%	25%	Custom ¹	6%	12%	16%	18%
Home Possible and Home Possible Advantage Mortgages																																								
Transaction Type	MI Coverage	LTV Ratio																																						
		>80% & ≤85%	>80% & ≤90%	>90% & ≤95%	>95% & ≤97%																																			
Fixed-rate, term ≤ 20 years	Standard	6%	12%	25%	25%																																			
	Custom ¹	N/A	N/A	16%	18%																																			
Fixed-rate, term > 20 years; ARMS; and manufactured homes ²	Standard	12%	25%	25%	25%																																			
	Custom ¹	6%	12%	16%	18%																																			
Secondary Financing	<ul style="list-style-type: none"> Secondary financing, including an Affordable Second, is permitted and must meet the requirements in Guide Chapter 4204 An Affordable Second that does not require a monthly payment before the Due Date of the 61st payment under the Home Possible Mortgage may be entered in the "Total Gift Fund" field of Loan Product Advisor. Refer to Guide Section 4204.2 Rural Housing Service (RHS) Leveraged Seconds that meet Guide Section 4205.2 requirements are permitted. 	<ul style="list-style-type: none"> Only permitting Affordable Seconds meeting the requirements in Guide Section 4204.2 The Affordable Second financing cannot be a Home Equity Line of Credit An Affordable Second that does not require a monthly payment before the Due Date of the 61st payment under the Home Possible Mortgage may be entered in the "Total Gift Fund" field of Loan Product Advisor. Refer to Guide Section 4204.2 Rural Housing Service (RHS) Leveraged Seconds are not permitted. 																																						

Feature	Home Possible	Home Possible Advantage												
<p>Underwriting Path</p>	<ul style="list-style-type: none"> ▪ A Home Possible Mortgage may be submitted to Loan Product Advisor or may be a Manually Underwritten Mortgage ▪ A Home Possible Mortgage secured by a Manufactured Home must be submitted to Loan Product Advisor, (refer to Guide Section 4501.8). <p> Manually Underwritten Mortgages must meet the requirements of Guide Chapter 4501 and Topics 5100 through 5500, including but not limited to, the requirement that each Borrower individually, and all Borrowers collectively, have an acceptable credit reputation as described in Guide Topics 5100 and 5200.</p> <p> Loan Product Advisor assesses mortgages when no borrower has a credit score.</p> <p>For complete requirements, including Mortgage eligibility and exclusions, refer to "Mortgages for Borrowers Without Credit Scores".</p>	<p>Same, except Manufactured Homes are not permitted.</p> <p> A Home Possible Advantage Mortgage where none of the Borrowers have a usable Credit Score is not eligible. An Indicator Score must be established for the Mortgage and must meet the required limits.</p> <p> Manually Underwritten Mortgages must meet the requirements of Guide Chapter 4501 and Topics 5100 through 5500, including but not limited to, the requirement that each Borrower individually, and all Borrowers collectively, have an acceptable credit reputation as described in Guide Topics 5100 and 5200.</p>												
<p>Qualifying Ratios</p>	<ul style="list-style-type: none"> ▪ There is no maximum monthly housing expense-to-income ratio ▪ Debt payment-to-income ratio: <table border="1" data-bbox="362 1220 898 1476"> <thead> <tr> <th colspan="2" data-bbox="362 1220 898 1266">Underwriting Path</th> </tr> <tr> <th data-bbox="362 1266 610 1367">Loan Product Advisor Mortgages</th> <th data-bbox="610 1266 898 1367">Manually Underwritten Mortgages</th> </tr> </thead> <tbody> <tr> <td data-bbox="362 1367 610 1476">Determined by Loan Product Advisor</td> <td data-bbox="610 1367 898 1476">45%</td> </tr> </tbody> </table>	Underwriting Path		Loan Product Advisor Mortgages	Manually Underwritten Mortgages	Determined by Loan Product Advisor	45%	<ul style="list-style-type: none"> ▪ There is no maximum monthly housing expense-to-income ratio ▪ Debt payment-to-income ratio: <table border="1" data-bbox="938 1220 1463 1476"> <thead> <tr> <th colspan="2" data-bbox="938 1220 1463 1266">Underwriting Path</th> </tr> <tr> <th data-bbox="938 1266 1187 1367">Loan Product Advisor Mortgages</th> <th data-bbox="1187 1266 1463 1367">Manually Underwritten Mortgages</th> </tr> </thead> <tbody> <tr> <td data-bbox="938 1367 1187 1476">Determined by Loan Product Advisor</td> <td data-bbox="1187 1367 1463 1476">43%</td> </tr> </tbody> </table>	Underwriting Path		Loan Product Advisor Mortgages	Manually Underwritten Mortgages	Determined by Loan Product Advisor	43%
Underwriting Path														
Loan Product Advisor Mortgages	Manually Underwritten Mortgages													
Determined by Loan Product Advisor	45%													
Underwriting Path														
Loan Product Advisor Mortgages	Manually Underwritten Mortgages													
Determined by Loan Product Advisor	43%													

Feature	Home Possible	Home Possible Advantage															
Borrower Contribution	<table border="1" data-bbox="362 285 906 653"> <thead> <tr> <th colspan="3" data-bbox="362 285 906 363">Minimum Contribution from Borrower Personal Funds</th> </tr> <tr> <th data-bbox="362 363 565 474">Property Type</th> <th data-bbox="565 363 716 474">LTV/TLTV /HTLTV ≤ 80%</th> <th data-bbox="716 363 906 474">LTV/TLTV /HTLTV >80% ≤ 95%</th> </tr> </thead> <tbody> <tr> <td data-bbox="362 474 565 520">1-unit</td> <td data-bbox="565 474 716 520">None</td> <td data-bbox="716 474 906 520">None</td> </tr> <tr> <td data-bbox="362 520 565 567">2- to 4-unit</td> <td data-bbox="565 520 716 567">None</td> <td data-bbox="716 520 906 567">3%</td> </tr> <tr> <td data-bbox="362 567 565 653">Manufactured Home</td> <td data-bbox="565 567 716 653">None</td> <td data-bbox="716 567 906 653">None</td> </tr> </tbody> </table> <p data-bbox="362 663 813 720">See Guide Section 4501.10 for eligible sources of funds.</p> <p data-bbox="362 730 889 1108">  Refer to Guide Section 4501.10(c)(ii) for minimum Borrower contribution requirements when receiving gifts or grants from the Seller as the originating lender and/or Agency-provided funds. Gifts or grants from the Seller must not be funded through the Mortgage transaction, including differential pricing in rate, discount points, or fees for individual loans or across the Home Possible offering. </p>	Minimum Contribution from Borrower Personal Funds			Property Type	LTV/TLTV /HTLTV ≤ 80%	LTV/TLTV /HTLTV >80% ≤ 95%	1-unit	None	None	2- to 4-unit	None	3%	Manufactured Home	None	None	<p data-bbox="938 275 1385 331">1-unit: No minimum contribution from Borrower Personal Funds is required.</p> <p data-bbox="938 342 1433 558">  Refer to Guide Section 4501.10(c)(ii) for minimum Borrower contribution requirements when receiving gifts or grants from the Seller as the originating lender and/or Agency-provided funds. </p> <p data-bbox="1003 569 1466 758">Gifts or grants from the Seller must not be funded through the Mortgage transaction, including differential pricing in rate, discount points, or fees for individual loans or across the Home Possible offering.</p>
Minimum Contribution from Borrower Personal Funds																	
Property Type	LTV/TLTV /HTLTV ≤ 80%	LTV/TLTV /HTLTV >80% ≤ 95%															
1-unit	None	None															
2- to 4-unit	None	3%															
Manufactured Home	None	None															
Source of Funds	Refer to Guide Chapter 5501 and Guide Section 4501.10 for more information.	Same															
Reserves	<ul data-bbox="362 1203 849 1434" style="list-style-type: none"> For Loan Product Advisor Mortgages, verify all reserves required by Loan Product Advisor, as stated on the Feedback Certificate. Manually Underwritten Mortgages: <ul data-bbox="402 1367 841 1434" style="list-style-type: none"> 1-unit: No reserves required 2- to 4-units: 2 months' reserves <p data-bbox="362 1444 813 1497">See Guide Section 4501.10 for eligible sources of funds.</p>	<p data-bbox="938 1203 1019 1234">1-unit:</p> <ul data-bbox="938 1245 1425 1367" style="list-style-type: none"> For Loan Product Advisor Mortgages, verify all reserves required by Loan Product Advisor, as stated on the Feedback Certificate. 															
Temporary Subsidy Buydown Plans	<ul data-bbox="362 1518 906 1875" style="list-style-type: none"> Permitted for Mortgages secured by 1- to 2-unit property, other than a Manufactured Home, meeting the requirements of Guide Sections 4204.4 and 4501.5 If a Home Possible Mortgage with a temporary subsidy buydown plan is subject to secondary financing, including an Affordable Second that requires repayment to begin before the Due Date of the 61st monthly payment under the Home Possible Mortgage, the secondary financing must have a fixed-interest rate 	<ul data-bbox="938 1518 1458 1875" style="list-style-type: none"> Permitted for Mortgages secured by a 1-unit property meeting the requirements of Guide Sections 4204.4 and 4501.5 If a Home Possible Mortgage with a temporary subsidy buydown plan is subject to an Affordable Second that requires repayment to begin before the Due Date of the 61st monthly payment under the Home Possible Mortgage, the Affordable Second must have a fixed-interest rate. 															

Feature	Home Possible	Home Possible Advantage
Homebuyer Education	<ul style="list-style-type: none"> ▪ For purchase transaction secured by 1- to 4-unit Primary Residences, Homeownership education is required before the Note Date, or the Effective Date of Permanent Financing for Construction Conversion and Renovation Mortgages, for at least one qualifying Borrower if all Borrower(s) are First-Time Homebuyers*; or ▪ For any transaction when the credit reputation for all borrowers is established using only noncredit payment references. ▪ Homeownership education must not be provided by an interested party to the transaction, the originating lender or by the Seller. ▪ A copy of Exhibit 20, Homeownership Education Certification, or another document containing comparable information must be retained in the mortgage file. ▪ Homeownership education programs may use different formats and require different lengths of time to complete. The following are acceptable: <ul style="list-style-type: none"> - Programs developed by HUD-approved counseling agencies, Housing Finance Agencies (HFAs) or Community Development Financial Institutions (CDFIs). - Homeownership education programs developed by mortgage insurance companies, or other providers' programs that meet the standards of the National Industry Standards for Homeownership Education and Counseling. - www.homeownershipstandards.com) - As an alternative Freddie Mac's free financial literacy curriculum, CreditSmart®, provided modules 1,2,7,11 and 12 are included, or access the Credit Smart-Steps to Homeownership Tutorial. The financial literacy curriculum cannot be provided by an interested party to the transaction, the originating lender or by the Seller. 	<p>Same, except 2- to 4-unit properties are not permitted.</p>

Feature	Home Possible	Home Possible Advantage
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. ▪ For refinance transactions, Freddie Mac does not require landlord education, but recommends it for Borrowers who have not previously attended a program. 	N/A
Early Delinquency Counseling	<ul style="list-style-type: none"> ▪ Seller, as Servicer, must provide (at no cost to the Borrower) Early Delinquency Counseling to all Borrowers who experience problems meeting their Mortgage obligations, in accordance with Sections 9101.2(c) and 9102.5(c) 	Same
Ineligible Mortgages	<ul style="list-style-type: none"> ▪ Affordable Merit Rate Mortgages ▪ A-minus Mortgages ▪ Seasoned Mortgages ▪ Financed Permanent Buydown Mortgages ▪ Seller-Owned Modified Mortgages and Seller-Owned Converted Mortgages ▪ Mortgages with capitalized balances as described in Guide Chapter 4403 ▪ FHA and VA Mortgages ▪ Section 502 GRH Mortgages ▪ Section 184 Native American Mortgages ▪ Super conforming Mortgages as described in Guide Chapter 4603 ▪ Freddie Mac Relief Refinance MortgagesSM <ul style="list-style-type: none"> – Same Servicer and Freddie Mac Relief Refinance Mortgages – Open Access 	Same, except Home Possible Advantage Mortgage with RHS Leveraged Seconds are not permitted.
Credit Fee in Price	Refer to Guide Exhibit 19 for applicable credit fees in price and Guide Section 4501.14 for delivery fee exclusions. Credit Fees in Price are paid in accordance with the Credit Fee in Price provisions stated in Chapter 6303 .	

****First-Time Homebuyer:**

A First-Time Homebuyer is an individual who meets all the following requirements:

- Is purchasing the Mortgaged Premises
- Will reside in the Mortgaged Premises as a Primary Residence
- Had no ownership interest (sole or joint) in a residential property during the three-year period preceding the date of the purchase of the Mortgaged Premises

The related ULDD Data Point name is Borrower First Time Homebuyer Indicator

In addition, a displaced homemaker or a single parent may also be considered a First-Time Homebuyer if the individual had no ownership interest in a residential property during the preceding three-year period other than an ownership interest in the marital residence with a spouse. If a displaced homemaker or a single parent solely owned the marital residence, or solely or jointly owned a second home or Investment Property, the individual may not be considered a First-Time Homebuyer.

If a Living Trust is purchasing the Mortgaged Premises, then for purposes of this definition, an Underwritten Settlor of that Living Trust will be deemed to be purchasing the Mortgaged Premises.

Note: It is important that Borrowers have sufficient information on the terms of a mortgage product and that the associated features, benefits, and risks of the selected mortgage product are clearly explained to the Borrower prior to the Borrower making a product or payment choice.