



10 Facts about the “No cash-out” Refinance” and Relief Refinance Mortgages




The following chart provides 10 facts on the eligibility information regarding our “No Cash-out” Refinance and the Freddie Mac Relief Refinance Mortgages offering. For detailed information on the “No Cash-out” Refinance, refer to Guide Chapter 24. Refer to Guide Chapters A24 and B24 for the Freddie Mac Relief Refinance Mortgages. Lenders should work with their borrowers to determine the best product fit for the borrower’s circumstances.

At a Glance Eligibility		
Attribute	“No Cash-out” Refinance	Relief Refinance Mortgages
Existing Mortgage currently owned by Freddie Mac	No specific requirement	Conventional Mortgage currently owned by Freddie Mac in whole or in part, or securitized by Freddie Mac  Allows for greater flexibility in underwriting
Purpose of Refinance	No specific requirement	<ul style="list-style-type: none"> ✓ Reduce the interest rate of the First Lien Mortgage, or ✓ Replace an ARM, Initial InterestSM Mortgage (or any Mortgage with an initial interest-only period) or a Balloon/Reset Mortgage with a fixed-rate, fully amortizing Mortgage, or ✓ Reduce the amortization term of the First Lien Mortgage  Intent is to ensure the borrower will be in a better financial position by either lowering the current interest rate or providing a more stable Mortgage for greater long-term homeowner success.
Existing Mortgage Freddie Mac Settlement Date	No specific requirement	Mortgage being refinanced must have had a Freddie Mac Settlement Date on or before May 31, 2009
Mortgage Payment History on Existing Mortgage	Per the Loan Prospector credit risk class and documentation level, or Guide requirements	No 30-day or more delinquencies in the past 12 months, or since the Note Date if seasoned less than 12 months
Eligibility Requirements	Guide Chapter 24	Guide Chapter A24 and B24

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Maximum LTV/ TLTV/HTLTV Occupancy Type Property Type	<ul style="list-style-type: none"> ✓ Maximum LTV ratio must not exceed: <ul style="list-style-type: none"> ○ 95% for 1-unit primary ○ 80% for 2- to 4-unit Primary ○ 85% for Second Home ○ 75% for Investment ✓ Maximum TLTV and HTLTV ratios apply. Refer to Guide section 23.4 for complete LTV/TLTV/HTLTV requirements 	<ul style="list-style-type: none"> ✓ Maximum LTV ratio must not exceed: <ul style="list-style-type: none"> ○ 105% for ARMs ○ 125% for fixed-rate ✓ No maximum TLTV and HTLTV ratio <p>Includes: 1-4 unit primary, 1-unit second home-if original mortgage was a second home and 1-4 unit investment-if the original mortgage was an investment</p> <p>Note: Same Servicer: If the Mortgage being refinanced was underwritten and sold to Freddie Mac as a second home or Investment Property Mortgage, and the property is now a Primary Residence and the Borrower(s) obligated on the Note is now an Owner-Occupant, the Relief Refinance Mortgage – Same Servicer is eligible for sale to Freddie Mac as a Primary Residence Mortgage, provided it meets all of the other Relief Refinance Mortgage requirements</p>	<p>➤ An increased LTV ratio helps borrowers who have experienced declining property values and unlimited TLTV/HTLTV ratio to accommodate secondary financing.</p> <p>Note: Same Servicer: do not need to again represent and warrant that the Condominium Project, or Cooperative Project, as applicable, meets Freddie Mac eligibility requirements as of the Delivery Date of the new refinance Mortgage. Also, will presume the new loan meets second home and investment property guidelines, including the requirements regarding number of financed properties, as long as the Mortgage being refinanced met Guide requirements at time of original delivery.</p> <p>Note: Open Access: allows any change in occupancy type between existing mortgage and the new loan due to full underwrite of Relief Refinance Mortgage – Open Access.</p>
Indicator Score Requirements	<p>Minimum Indicator Score requirements apply for Manually Underwritten Mortgages and Non-Loan Prospector Mortgages. Refer to Guide Exhibit 25</p>	<p>Same Servicer: No minimum Indicator Score required unless the Borrower’s principal and interest payment on the Relief Refinance Mortgage increases by more than 20%. Refer to Guide Chapter A24</p> <p>Open Access: Minimum Indicator Score requirements apply for Loan Prospector Caution manually underwritten mortgages. Refer to Guide Chapter B24</p>	<p>➤ Note: Same Servicer: Increases eligibility for borrowers who may otherwise not be eligible under current underwriting requirements.</p>

At a Glance Eligibility

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Collateral Valuation	Provide a new appraisal meeting the requirements of Chapter 44	<p>Same Servicer: May use the point value estimate from Home Value Explorer® (HVE), a new appraisal report or appraisal report from the Mortgage being refinanced, as applicable. Refer to Guide Chapter A24.</p> <p>Open Access: Provide a new appraisal report with an interior and exterior inspection meeting the requirements of Chapter 44</p> <div style="display: flex; align-items: center; margin-top: 10px;">  <p style="color: green;">Using HVE for Same Servicer may significantly reduce time and costs for the borrower. Lender is relieved of most collateral reps and warranties when using HVE.</p> </div>
Mortgage Proceeds/Closing Costs, Financing Costs and Prepaid Items	<p>Proceeds may be used to:</p> <ul style="list-style-type: none"> ✓ Pay off the first mortgage ✓ Pay off junior liens secured by subject and used in its entirety to acquire the subject property ✓ Pay related closing costs, financing costs and prepaids/escrows ✓ Disburse cash out to the Borrower (or any other payee) up to 2% of the new refinance Mortgage or \$2,000, whichever is less 	<p>Proceeds may be used to:</p> <ul style="list-style-type: none"> ✓ Pay off the unpaid principal plus accrued interest only on the first Mortgage ✓ Pay up to the lesser of 4% of the unpaid principal balance of the existing mortgage or \$5,000 in related Closing Costs, Financing Costs and Prepaids/Escrows <p>Note: The proceeds may not be used to pay off or pay down any junior liens.</p>

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Mortgage Insurance	For an LTV ratio greater than 80%, Mortgage Insurance is required	<p>For an LTV ratio greater than 80%:</p> <ul style="list-style-type: none"> ✓ If the existing Mortgage does not have mortgage insurance coverage, then no mortgage insurance coverage is required for the Relief Refinance Mortgage ✓ If the existing Mortgage has mortgage insurance coverage, the same percentage of coverage must be maintained for the Relief Refinance Mortgage. <p style="text-align: center;">»»</p> <ul style="list-style-type: none"> ✓ The Relief Refinance Mortgage does not require mortgage insurance if the existing mortgage does not currently have mortgage insurance even when the current LTV is greater than 80%. ✓ Transferring the existing mortgage insurance coverage allows the borrower to have a similar mortgage insurance payment as the existing mortgage and helps ensure availability of coverage even if the borrower’s credit has changed, the mortgage insurer’s credit policies have changed since the original mortgage was insured, or the current LTV/TLTVs of the mortgage exceed the mortgage insurer’s current LTV/TLTV requirements for insurance
Postsettlement Delivery Fees	Cumulative, based on loan attributes of the Mortgage. No maximum. See Guide Exhibit 19	<p>Total of all postsettlement delivery fees is capped at 200 basis points. See Guide Exhibit 19</p> <p>Note: Relief Refinance Mortgages with LTV’s >105% up to 125% may receive a reduced term incentive of 50 basis points, effectively lowering the delivery fee cap to 150 basis points, if the term of the existing mortgage was 30 years or greater and the Relief Refinance Mortgage reduces the term to >15 to ≤ 25 years. See Guide Exhibit 19</p> <p style="text-align: center;">»»</p> <ul style="list-style-type: none"> ✓ Delivery Fees are capped providing minimal costs for the mortgage. ✓ Additional incentives are provided to encourage borrowers with LTV’s above 105% to use a shorter amortization period to stabilize their equity more quickly.

This document is not a replacement or substitute for the information found in the *Single-Family Seller/Servicer Guide*, and /or terms of your Master Agreement and/or Master Commitment.

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