

Mortgage Insurance Financing Matrix



Effective for Mortgages with Settlement Dates on or after July 25, 2016

This reference provides a summary of Freddie Mac's mortgage insurance financing options. For complete information, refer to *Single-Family Seller/Servicer Guide* (Guide) Chapter 4701: Mortgage Insurance and Late Charges.

	Financed Mortgage Insurance (MI)	Lender-Paid Mortgage Insurance (MI)
What is it?	The MI premium is included as part of the principal amount of the Mortgage (financed premium). The premiums for Custom MI may not be financed as part of the principal amount of the Mortgage.	The MI premium is paid by the lender. Payment options include single-, annual or monthly premiums. You must obtain Freddie Mac's approval to deliver Mortgages with annual or monthly premium lender-paid mortgage insurance to Freddie Mac. Request this approval by calling your Freddie Mac representative. Note: Custom MI may not be used with lender-paid MI. For single-premium lender-paid MI, refer to Guide Section 4701.2 for further requirements.
Product Types	<ul style="list-style-type: none"> Fixed-rate, fully amortizing Mortgage Adjustable-rate Mortgage 	For single premiums, the Mortgage is a Mortgage eligible for purchase under the Purchase Documents
Loan-to-Value (LTV) and MI Coverage	Standard MI coverage only. Refer to Guide Section 4701.1 for coverage levels.	Standard MI coverage only. Refer to Guide Section 4701.1 for coverage levels.
Property Type and Occupancy	1- to 4-unit, primary residence or second home	Property and occupancy requirements are subject to the MI coverage options.
Special LTV Calculations	<ul style="list-style-type: none"> Base LTV ratio: LTV ratio calculated using the Mortgage amount without financed MI premium Gross (higher) LTV ratio: LTV ratio calculated using the Mortgage amount that includes financed MI premium <p>Note: The original loan amount of the Mortgage plus the amount of any financed mortgage insurance premium may not exceed the maximum original loan limits provided in Guide Section 4203.3.</p>	Not applicable
All Eligible Mortgages	<ul style="list-style-type: none"> Base LTV ratio must not exceed the maximum LTV ratio permitted for the Mortgage Product or offering Gross LTV ratio must not exceed 95% 	Standard MI coverage only. Refer to Guide Section 4701.1 for coverage levels.
Home Possible Advantage Mortgages	<ul style="list-style-type: none"> Base LTV ratio must not exceed the maximum LTV ratio permitted for the Mortgage Product or offering Gross LTV must not exceed 97% 	

Notes:

- MI premium in the Coupon Rate is not eligible for sale to Freddie Mac.
- For financed MI premiums, any applicable delivery fees will be assessed based on the UPB (that includes the financed MI premium) and the Gross LTV ratio.