

Mortgage Insurance Financing Matrix



	Financed Mortgage Insurance (MI)	Lender-Paid Mortgage Insurance (MI)
What is it?	Mortgages for which the MI premium is included as part of the principal amount of the Mortgage (financed premium). The premiums for flexible MI (Custom MI and Reduced MI) may not be financed as part of the principal amount of the Mortgage.	Lender-paid MI (single premium) – see Section 27.1.1 (b) of the <i>Single-Family Seller/Servicer Guide</i> (Guide) for further requirements. On and after March 1, 2009 , 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.
Product Types	<ul style="list-style-type: none"> Fixed-rate, fully amortizing Mortgage 7-year balloon Mortgage Adjustable-rate Mortgage 	<ul style="list-style-type: none"> Fixed-rate, fully amortizing Mortgages Non-convertible ARM Fixed-rate or adjustable-rate Initial InterestSM Mortgage
Loan-to-Value (LTV) and MI Coverage	Standard Mortgage Insurance (MI) Coverage	
	<p>For all Mortgages, except 15- and 20-year fixed-rate Mortgages:</p> <ul style="list-style-type: none"> >80% ≤ 85% requires 12% coverage >85% ≤ 90% requires 25% coverage > 90% requires 30% coverage 	<p>For 15- and 20-year fixed-rate Mortgages:</p> <ul style="list-style-type: none"> >80% ≤ 85% requires 6% coverage >85% ≤ 90% requires 12% coverage > 90% requires 25% coverage
Property Type and Occupancy	1-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 	
Accept Mortgages	<ul style="list-style-type: none"> Base LTV ratio must not exceed the lesser of 95% or LTV ratio specified in Section 23.4 of the Guide Gross LTV ratio must not exceed 95% 	Risk class requirements are subject to the mortgage insurance coverage options
Caution and Non-Loan Prospector Mortgages	<ul style="list-style-type: none"> Base LTV ratio must not exceed the lesser of 90% or LTV ratio specified in Section 23.4 of the Guide Gross LTV must not exceed 95% 	
MIDANET[®] Delivery Requirements	<ul style="list-style-type: none"> Enter '6' in the SCC followed by the Base LTV (ex: Base LTV 85% = SCC 685) Enter MI Code in the Mortgage Insurance Code field Enter MI coverage in the Mortgage Insurance (MI) Coverage Percent field Enter Gross (Higher) LTV in the LTV Ratio field 	<ul style="list-style-type: none"> Enter '019' in the SCC field (indicates lender-funded MI program) Enter MI Code in the Mortgage Insurance Code field Enter MI coverage in the Mortgage Insurance (MI) Coverage Percent field

Notes:

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

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

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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