

## Freddie Mac Refinance Programs



The following chart is a detailed comparison of different refinance programs:

Attribute	Streamlined Refinance Mortgages	Freddie Mac-owned Streamlined Refinance Mortgages	No Cash-out Refinance Mortgages	Cash-out Refinance Mortgages	Special Purpose Cash-out Refinance
<b>Freddie Mac Single-Family Seller/Service Guide reference</b>	Section 24.3	Section 24.4	Section 24.5	Section 24.6	Section 24.7
<b>Property Type</b>	<ul style="list-style-type: none"> <li>▪ 1- to 2-unit Primary Residence</li> <li>▪ 1-unit Second Home</li> </ul>	<ul style="list-style-type: none"> <li>▪ 1- to 2-unit Primary Residence</li> <li>▪ 1-unit Second Home</li> </ul>	<ul style="list-style-type: none"> <li>▪ 1- to 4-unit Primary Residence</li> <li>▪ 1-unit Second Home</li> <li>▪ 1- to 4-unit Investment Property</li> </ul>	<ul style="list-style-type: none"> <li>▪ 1- to 4-unit Primary Residence</li> <li>▪ 1-unit Second Home</li> <li>▪ 1- to 4-unit Investment Property</li> </ul>	<ul style="list-style-type: none"> <li>▪ 1-to-4-unit Primary Residence</li> <li>▪ 1-unit Second Home, if inherited</li> <li>▪ Investment properties, if inherited</li> </ul>

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

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<b>Existing Mortgage Requirements</b>	<p>The Mortgage being refinanced must have conformed to Freddie Mac eligibility requirements on the Note Date and the Mortgage must:</p> <ul style="list-style-type: none"> <li>▪ Have been an Accept Mortgage, or</li> <li>▪ Have been a Mortgage that was Manually Underwritten and conformed to Freddie Mac underwriting guidelines on the Note Date, and</li> <li>▪ Not have been an A-minus Mortgage</li> </ul>	<p>The Mortgage being refinanced must be currently owned by Freddie Mac in whole or in part, or securitized by Freddie Mac.</p> <p>The Mortgage being refinanced must have conformed to Freddie Mac eligibility requirements on the Note Date and the Mortgage must:</p> <ul style="list-style-type: none"> <li>▪ Have been an Accept Mortgage, or</li> <li>▪ Have been a Mortgage that was Manually Underwritten and conformed to Freddie Mac underwriting guidelines on the Note Date, and</li> <li>▪ Not have been an A-minus Mortgage</li> </ul>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>
<b>Servicing of Existing Mortgage</b>	<p>Serviced by Seller originating the new Mortgage; Seller/Servicer must have possession of underwriting file.</p>	<p>Serviced by Seller originating the new Mortgage; Seller/Servicer must have possession of underwriting file.</p>	<p>No restriction</p>	<p>No restriction</p>	<p>No restriction</p>

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<b>Seasoning of Existing Mortgage</b>	12 months minimum	No minimum	No minimum. Effective for Freddie Mac Settlements on or after 08/01/2008, when a Seller originates a cash-out refinance Mortgage, the Seller holds that Mortgage for less than six months, and that same Mortgage is refinanced with a "no cash-out" refinance Mortgage, the refinance Mortgage is ineligible for sale to Freddie Mac as a "no cash-out" refinance Mortgage. The Mortgage must be sold to Freddie Mac as a cash-out refinance Mortgage and will be assessed the Cash-out Refinance Mortgages Indicator Score/Loan-to-Value postsettlement delivery fee (delivery fee), in addition to any other applicable delivery fees.	Effective for Freddie Mac Settlements on or after 08/01/2008:  The Borrower must have owned the subject property for at least six months prior to the Note Date of the cash-out refinance Mortgage.  When a Seller originates a cash-out refinance Mortgage, the Seller holds that Mortgage for less than six months, and that same Mortgage is refinanced with a "no cash-out" refinance Mortgage, the refinance Mortgage is ineligible for sale to Freddie Mac as a "no cash-out" refinance Mortgage. The Mortgage must be sold to Freddie Mac as a cash-out refinance Mortgage and will be assessed the Cash-out Refinance Mortgages Indicator Score/Loan-to-Value postsettlement delivery fee (delivery fee), in addition to any other applicable delivery fees.	No minimum

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<b>New Lien</b>	<p>The new refinance Mortgage must be:</p> <ul style="list-style-type: none"> <li>▪ A fixed-rate Mortgage</li> <li>▪ An adjustable-rate Mortgage (ARM), or</li> <li>▪ A Balloon/Reset Mortgage</li> </ul> <p>The new refinance Mortgage must <b>not</b> be:</p> <ul style="list-style-type: none"> <li>▪ An Initial Interest Mortgage</li> <li>▪ A special purpose cash-out refinance Mortgage</li> <li>▪ An A-minus Mortgage</li> <li>▪ A Home Possible Mortgage</li> <li>▪ A Mortgage with negative amortization</li> <li>▪ A Mortgage secured by a Manufactured Home</li> <li>▪ A Mortgage secured by a 3-4 unit property</li> <li>▪ An Investment Property Mortgage</li> <li>▪ A Mortgage for a Newly Constructed Home</li> <li>▪ An FHA Mortgage</li> <li>▪ A VA Mortgage</li> <li>▪ A Section 502 GRH Mortgage</li> <li>▪ A Section 184 Native American Mortgage</li> </ul>	<p>The new refinance Mortgage must be:</p> <ul style="list-style-type: none"> <li>▪ A fixed-rate Mortgage</li> <li>▪ An adjustable-rate Mortgage (ARM), or</li> <li>▪ A Balloon/Reset Mortgage</li> </ul> <p>The new refinance Mortgage must <b>not</b> be:</p> <ul style="list-style-type: none"> <li>▪ An Initial Interest Mortgage</li> <li>▪ A special purpose cash-out refinance Mortgage</li> <li>▪ An A-minus Mortgage</li> <li>▪ A Home Possible Mortgage</li> <li>▪ A Mortgage with negative amortization</li> <li>▪ A Mortgage secured by a Manufactured Home</li> <li>▪ A Mortgage secured by a 3-4 unit property</li> <li>▪ An Investment Property Mortgage</li> <li>▪ A Mortgage for a Newly Constructed Home</li> <li>▪ An FHA Mortgage</li> <li>▪ A VA Mortgage</li> <li>▪ A Section 502 GRH Mortgage</li> <li>▪ A Section 184 Native American Mortgage</li> </ul>	<p>All product types, except new refinance Mortgage must not be a special purpose cash-out refinance Mortgage.</p>	<p>All product types, except new refinance Mortgage must not be a special purpose cash-out refinance Mortgage.</p>	<p>All product types, except new refinance Mortgage must not be a Streamlined Refinance Mortgage.</p>

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<b>Subordinate /Junior Liens</b>	<p>Can be paid off using proceeds, provided:</p> <ul style="list-style-type: none"> <li>▪ The junior lien was used in its entirety to purchase the subject property, and</li> <li>▪ The Seller has documentation in the Mortgage file demonstrating that the full amount of the junior lien was used for the purchase of the subject property</li> </ul>	<p>If the Mortgage proceeds from the new refinance Mortgage are being used to pay off a junior lien, the streamlined refinance Mortgage is not eligible for the special requirements for Freddie Mac-owned streamlined refinance Mortgages and must meet the requirements outlined in Freddie Mac's <i>Single-Family Seller/Service Guide</i>, Sections 24.2 and 24.3.</p>	<ul style="list-style-type: none"> <li>▪ Can be paid off from proceeds of new loan if the junior lien was used in its entirety to acquire the subject property and it is documented in mortgage file</li> <li>▪ Can be paid off with Borrower funds if elected</li> <li>▪ If remaining, it must be subordinated and Guide secondary financing requirements must be met</li> </ul>	<ul style="list-style-type: none"> <li>▪ Can be paid off from proceeds of new loan regardless of seasoning</li> <li>▪ Can be paid off with Borrower funds if elected</li> <li>▪ If remaining, it must be subordinated and Guide secondary financing requirements must be met</li> </ul>	<p>The borrower is not required to satisfy outstanding junior liens secured by the subject property (including home equity lines of credit) provided that:</p> <ul style="list-style-type: none"> <li>▪ Junior lien remains subordinate to the new refinance first lien mortgage</li> <li>▪ Junior lien meets the requirements of Section 25.2 pertaining to secondary financing</li> <li>▪ A copy of the subordination agreement is maintained in the mortgage file</li> </ul>

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<p><b>New Mortgage Amount</b></p>	<p>The new refinance Mortgage amount may not exceed:</p> <ul style="list-style-type: none"> <li>▪ The original Mortgage amount or</li> <li>▪ The total of the original Mortgage amount and the original junior lien amount if the new refinance Mortgage is paying off a junior lien</li> </ul> <p>The loan-to-value (LTV) ratio of the new refinance Mortgage may not exceed:</p> <ul style="list-style-type: none"> <li>▪ The original LTV ratio, or</li> <li>▪ The original total loan-to-value (TLTV) of the Mortgage being refinanced if a junior lien is being paid off</li> </ul>	<ul style="list-style-type: none"> <li>▪ The new refinance Mortgage amount may not exceed the original Mortgage amount</li> <li>▪ The loan-to-value (LTV) ratio of the new refinance Mortgage may not exceed the original LTV ratio</li> </ul>	<p>Not to exceed Freddie Mac maximum mortgage amounts</p>	<p>Not to exceed Freddie Mac maximum mortgage amounts</p>	<p>The new refinance Mortgage amount is limited to the amount used to buy-out the equity of co-owner including:</p> <ul style="list-style-type: none"> <li>▪ Payoff of first mortgage, regardless of age</li> <li>▪ Buy-out of the equity of co-owner</li> <li>▪ Payoff jr. liens secured by subject</li> <li>▪ Pay related closing costs, financing costs and prepaids</li> </ul>

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<b>Maximum LTV</b>  (Refer to Guide section 23.4 for complete LTV/TLTV/HTLT V requirements, including requirements for 40-Year Mortgages)	1- to 2-unit Primary Residence and 1-unit Second Home - 95%, or 90% with payoff of junior lien	1- to 2-unit Primary Residence and 1-unit Second Home - 95%	<ul style="list-style-type: none"> <li>▪ 1- to 2-unit Primary Residence and 1-unit Second Home - 95%</li> <li>▪ 1- to 2-unit Investment Property - 85%</li> <li>▪ 1- to 4-unit Primary Residence - 80%</li> <li>▪ 3- to 4-unit Investment Property - 75%</li> </ul>	<ul style="list-style-type: none"> <li>▪ 1- to 2-unit Primary Residence and 1-unit Second Home - 85%</li> <li>▪ 1- to 2-unit Investment Property - 85%</li> <li>▪ 1- to 4-unit Primary Residence - 75%</li> <li>▪ 3- to 4-unit Investment Property - 70%</li> </ul>	<ul style="list-style-type: none"> <li>▪ 1- to 2-Unit Primary Residence - 85%</li> <li>▪ 1- to 4-Unit Primary Residence - 75%</li> <li>▪ 2nd Home - 85% (if inherited)</li> <li>▪ 1- to 2-Unit Investment Property- 85% (if inherited)</li> <li>▪ 3- to 4-Unit Investment Property - 70% (if inherited)</li> </ul>
<b>Maximum Housing Payment Increase (P&amp;I)</b>	Not more than 20% greater than the P&I at which the Borrower qualified for on the mortgage being refinanced.	Not more than 20% greater than the P&I at which the Borrower qualified for on the mortgage being refinanced.	N/A	N/A	N/A
<b>Closing Costs, Financing Costs and Prepaid Items</b>	Can be rolled into new loan, with the total not exceeding the original Mortgage amount.	Can be rolled into new loan, with the total not exceeding the original Mortgage amount.	Can be rolled into new loan.	Can be rolled into new loan.	Can be rolled into new loan.
<b>Cash back to Borrower</b>	2% or \$2000, whichever is less.	2% or \$2000, whichever is less.	2% or \$2000, whichever is less.	No restrictions	None

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<b>New Loan Application</b>	Required	Required	Required	Required	Required. The Mortgage file must include: <ul style="list-style-type: none"> <li>▪ Documentation evidencing that the borrower and co-owner jointly occupied the subject as their primary residence for a minimum of twelve months prior to initial loan application</li> <li>▪ Written agreement stating the terms of property transfer and the disposition of refinance proceeds</li> </ul>

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<p><b>Change in Borrowers</b></p>	<p>The Borrower on the new refinance Mortgage must be the same except:</p> <ul style="list-style-type: none"> <li>▪ A Borrower may be added to the new refinance Mortgage</li> <li>▪ A Borrower that contributed no qualifying income, assets or reserves to the Mortgage being refinanced may be omitted</li> <li>▪ A Borrower may be omitted due to divorce or death, provided:                             <ul style="list-style-type: none"> <li>- The Seller obtains and retains in the Mortgage file documentation of the death or divorce, and</li> <li>- Obtains evidence that the remaining Borrower has been making the Mortgage payments, including the payments for any secondary financing, for the most recent 12-month period</li> </ul> </li> </ul>	<p>The Borrower on the new refinance Mortgage must be the same except:</p> <ul style="list-style-type: none"> <li>▪ A Borrower may be added to the new refinance Mortgage</li> <li>▪ A Borrower that contributed no qualifying income, assets or reserves to the Mortgage being refinanced may be omitted</li> </ul> <p>If a Borrower has been omitted from the Mortgage being refinanced due to death or divorce, the streamlined refinance Mortgage is not eligible for the special requirements for Freddie Mac-owned streamlined refinance Mortgages and must meet the requirements outlined in Freddie Mac's <i>Single-Family Seller/Servicer Guide</i>, Sections 24.2 and 24.3</p>	<p>At least one Borrower on the existing Note and Owner of Record must also be on the new Note and Owner of Record.</p>	<p>At least one Borrower on the existing Note and Owner of Record must also be on the new Note and Owner of Record.</p>	<p>No restrictions</p>

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<b>Borrower Qualification</b>	<p>The Borrower will be presumed to be creditworthy if:</p> <ul style="list-style-type: none"> <li>▪ The Seller has reviewed the original underwriting file and has made the determination that the Mortgage being refinanced conformed to Freddie Mac eligibility requirements on the Note Date</li> <li>▪ For a Loan Prospector Mortgage, the risk class is Accept on the new refinance transaction</li> <li>▪ For a Manually Underwritten Mortgage, the minimum Indicator Score is 680</li> </ul>	<p>The Borrower will be presumed to be creditworthy if:</p> <ul style="list-style-type: none"> <li>▪ The Seller has reviewed the original underwriting file and has made the determination that the Mortgage being refinanced conformed to Freddie Mac eligibility requirements on the Note Date</li> <li>▪ For a Loan Prospector Mortgage, the risk class is Accept on the new refinance transaction</li> <li>▪ For a Manually Underwritten Mortgage, the minimum Indicator Score is 620</li> </ul>	<ul style="list-style-type: none"> <li>▪ The Seller does not need to determine the Borrower's creditworthiness on Loan Prospector Accept Mortgages and A-minus Mortgages</li> <li>▪ For Manually Underwritten Mortgages, the Seller must make the determination regarding Borrower creditworthiness</li> </ul>	<p>For Mortgages with an LTV ratio less than or equal to 70%:</p> <ul style="list-style-type: none"> <li>▪ The Seller does not need to determine the Borrower's creditworthiness on Loan Prospector Accept Mortgages and A-minus Mortgages</li> <li>▪ For Manually Underwritten Mortgages, the Seller must make the determination regarding Borrower creditworthiness</li> </ul> <p>For Mortgages with an LTV ratio &gt; 70%, the Mortgage must be:</p> <ul style="list-style-type: none"> <li>▪ An Accept Mortgage, or</li> <li>▪ An A-minus Mortgage, or</li> <li>▪ A Manually Underwritten Mortgage with a minimum Indicator Score of 720</li> </ul>	<ul style="list-style-type: none"> <li>▪ The Seller does not need to determine that the Borrower's credit reputation and ratios are acceptable on LP Accept loans, and LP Caution loans delivered as A-minus loans</li> <li>▪ For Manually Underwritten Mortgages, the Seller must make the determination regarding Borrower creditworthiness</li> </ul>

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<b>Mortgage Payment History on Existing Mortgage</b>	<ul style="list-style-type: none"> <li>▪ For Manually Underwritten Mortgages, Borrower has not been 30 or more days delinquent in the most recent 12 months</li> <li>▪ For Accept Mortgages, no manual check is required</li> </ul>	<ul style="list-style-type: none"> <li>▪ For Manually Underwritten Mortgages, Borrower is current in last 90 days and in the last 12 months has not been either more than 30 days delinquent more than once or 60 or more days delinquent</li> <li>▪ For Accept Mortgages, no manual check is required</li> </ul>	<p>In accordance with Loan Prospector credit risk class and documentation level or <i>Single-Family Seller/Service Guide Requirements</i></p>	<p>In accordance with Loan Prospector credit risk class and documentation level or <i>Single-Family Seller/Service Guide Requirements</i></p>	<p>In accordance with Loan Prospector credit risk class and documentation level or <i>Single-Family Seller/Service Guide Requirements</i></p>
<b>Minimum Income Documentation</b>	<p>Employed:</p> <ul style="list-style-type: none"> <li>▪ A verbal verification of employment, or the most recent paystub or salary voucher</li> </ul> <p>Self-employed or income from Non-employed sources:</p> <ul style="list-style-type: none"> <li>▪ Signed pages 1 and 2 of most recent federal tax return, and</li> <li>▪ Signed IRS form 8821/4506 or other form acceptable to IRS</li> </ul>	<p>Not required. For Loan Prospector Mortgages, enter the income reported on the Borrower's new loan application in Loan Prospector.</p>	<p>In accordance with Loan Prospector credit risk class and documentation level or <i>Single-Family Seller/Service Guide Requirements</i>.</p>	<p>In accordance with Loan Prospector credit risk class and documentation level or <i>Single-Family Seller/Service Guide Requirements</i>.</p>	<p>In accordance with Loan Prospector credit risk class and documentation level or <i>Single-Family Seller/Service Guide Requirements</i>.</p>

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<b>Asset Documentation</b>	Not required. The Seller must verify reserves if they are entered in Loan Prospector.	Not required. The Seller must verify reserves if they are entered in Loan Prospector.	Not required. The Seller must verify reserves if they are entered in Loan Prospector.	Not required. The Seller must verify reserves if they are entered in Loan Prospector.	Not required. The Seller must verify reserves if they are entered in Loan Prospector.
<b>Appraisal</b>	<p>If the value of the Mortgaged Premises has <b>not</b> declined since the effective date of the value used to originate the Mortgage being refinanced and the Seller warrants that the value has not declined, the Seller may use the appraisal or inspection report from the Mortgage being refinanced.</p> <p>If the value of the Mortgaged Premises has declined, the Seller must obtain a new appraisal or inspection report meeting the requirements of Chapter 44.</p>	<p>If the value of the Mortgaged Premises has <b>not</b> declined since the effective date of the value used to originate the Mortgage being refinanced and the Seller warrants that the value has not declined, the Seller may use the appraisal or inspection report from the Mortgage being refinanced.</p> <p>If the value of the Mortgaged Premises has declined, the Seller must obtain a new appraisal or inspection report meeting the requirements of Chapter 44.</p>	The Seller must provide a new appraisal or inspection report meeting the requirements of Chapter 44.	The Seller must provide a new appraisal or inspection report meeting the requirements of Chapter 44.	The Seller must provide a new appraisal or inspection report meeting the requirements of Chapter 44.

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<b>Owner of Record</b>	Seller must verify the Borrower is an Owner of Record and/or the Borrower is a vendee on the recorded land contract, and the vendor is the Owner of Record. Evidence verification with documentation in the file.	Seller must verify the Borrower is an Owner of Record and/or the Borrower is a vendee on the recorded land contract, and the vendor is the Owner of Record. Evidence verification with documentation in the file.	Seller must verify the Borrower is an Owner of Record and/or the Borrower is a vendee on the recorded land contract, and the vendor is the Owner of Record. Evidence verification with documentation in the file.	Seller must verify the Borrower is an Owner of Record and/or the Borrower is a vendee on the recorded land contract, and the vendor is the Owner of Record. Evidence verification with documentation in the file.	Seller must verify the Borrower is an Owner of Record and/or the Borrower is a vendee on the recorded land contract, and the vendor is the Owner of Record. Evidence verification with documentation in the file.
<b>Delivery Requirements (Form 11 or 13SF)</b>	<ul style="list-style-type: none"> <li>▪ SCC: 007 and 289</li> <li>▪ The borrower's current income stated on Form 65</li> </ul>	<ul style="list-style-type: none"> <li>▪ SCC: 007 and 288</li> <li>▪ Reference Code: 0007</li> <li>▪ Associated FHLMC Loan # field completed with Freddie Mac supplied number assigned to the original Mortgage</li> <li>▪ The borrower's current income stated on Form 65</li> </ul>	SCC: 007	SCC: 003	SCC: 003 and 203

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