



Freddie Mac 100 Mortgage

A 100% LTV Mortgage That Sets the Standard for Innovative and Responsible High-LTV Lending

For borrowers with an excellent credit history, the Freddie Mac 100 mortgage eliminates the need for a large down payment on home—enabling your customers to purchase a home sooner or refinance their home while building their investments. The most prudent 100% loan-to-value (LTV) offering in the marketplace, Freddie Mac 100—**now with a no cash-out refinance option**—sets the standard for innovative and responsible high-LTV mortgage origination.

Freddie Mac 100 expands your market potential with both Loan Prospector® and Non-Loan Prospector underwriting options, so you can remain competitive in today's market, regardless of your preferred method of underwriting.

Using Freddie Mac 100, you'll reach and approve more borrowers with excellent credit but limited liquid assets. The mortgage requires 3% from Borrower Funds into the purchase transaction, which can include a gift from a related person, and there's no minimum requirement from Borrower Funds for no cash-out refinances. You can use Affordable Seconds® up to 103% total loan-to-value (TLTV) to maximize financing for your low- and moderate-income borrowers.

Lender Benefits

The Freddie Mac 100 mortgage helps you:

- Expand your borrower base to those with excellent credit and limited liquid assets.
- Take advantage of streamlined efficiencies and approve more borrowers with Loan Prospector automated underwriting technology.
- Increase your business by providing a refinance option to borrowers previously locked out of refinancing due to minimal equity.
- Remain competitive in today's market with an outlet for your 100% LTV mortgage.

Borrower Benefits

For your borrowers, the Freddie Mac 100 mortgage:

- Provides an option to attain homeownership sooner than traditionally possible while building their investments.
- Eliminates the need for large down payment amounts to qualify for maximum financing.
- Allows flexible options for additional home buying potential, including a required amount from Borrower Funds that may come from a gift from a related person.
- Opens the door for borrowers with little equity to reduce their interest rates by using the new no cash-out refinance option.

See reverse for underwriting, execution and other details.

Key Features:

- Purchase or no cash-out refinance mortgages
- Requires 3% from Borrower Funds into the purchase transaction, which can include a gift from a related person
- 15-, 20- and 30-year fixed-rate mortgages
- 97.01% to 100% LTV
- 103% TLTV with Affordable Seconds and income limits
- 35% mortgage insurance

Looking for More Low-Down-Payment Options?

Visit www.FreddieMac.com for more information on:

- Alt 97® mortgage
- Affordable Gold® 97, Affordable Gold Alt 97, Affordable Gold 3/2 and Affordable Gold 5 mortgages for low- and moderate-income borrowers
- Loan Prospector® A-minus offering, including the Affordable Merit Rate® mortgage

Eligible Property Types

1-unit, owner-occupied Primary Residence, including condominiums and planned unit developments (PUDS).

Eligible Mortgages

- Purchase transactions
- No cash-out refinance mortgages eligible for deliveries on or after October 6, 2003
- 15-, 20-, and 30-year fixed-rate mortgages
- 97.01% to 100% LTV
- 103% TLTV with Affordable Seconds (income limits apply)
- No temporary subsidy buydowns
- Balloon/reset mortgages, ARMs and seasoned mortgages are not eligible for delivery as Freddie Mac 100 mortgages

Secondary Financing

- Affordable Seconds in accordance with Section 26.1(g) are permitted provided the Borrower meets the Affordable Gold income limits in Section 34.1(b); no other secondary financing is permitted.
- For no cash-out refinance mortgages, the secondary financing must also satisfy the requirements of Guide Section 24.5(a)

Borrower Eligibility Requirements

- Loan Prospector "Accept" or Non-Loan Prospector mortgages
- For Non-Loan Prospector Freddie Mac 100 mortgages:
 - ⇒ Minimum Indicator Score of 700
 - ⇒ No bankruptcy, foreclosure or deed-in-lieu of foreclosure within the last seven years
- Maximum 41% debt payment-to-income ratio
- Two months reserves required

Down Payment, Closing Costs, Financing Costs & Prepays/Escrows

- For purchases, a 3% contribution from Borrower Funds into the transaction; sweat equity excluded
- Required 3% contribution may come from a gift from a Related Person, per the Guide, without the required 5% down payment from other sources
- For a no cash-out refinance mortgage, the borrower is not required to meet the 3% contribution requirement
- Property seller contributions up to 3% for closing costs and Prepays/Escrows
- No income limits except Affordable Gold income limits when an Affordable Second is used
- The funds needed for both purchase and no cash-out refinance mortgages must be documented in accordance with the requirements of Guide Sections 37.21, 37.21.1, 37.22 and 37.23, as applicable

Special Underwriting Requirements

- No non-occupant co-borrowers
- 35% mortgage insurance (MI)¹

Collateral Evaluation

- For a purchase transaction, the appraisal for the property must indicate that the residence is not located in a market with declining values

- For no cash-out refinance mortgages, maximum financing may be offered in a market of declining values provided that:
 - ⇒ The mortgage that is being refinanced is currently owned or securitized by Freddie Mac, and
 - ⇒ The new refinance mortgage amount is limited to the unpaid principal balance of the existing first mortgage (rounded up to the nearest \$100) with no cash-out to the borrower, and
 - ⇒ Any existing subordinate lien is paid off or is subordinated to the lien of the new refinance mortgage
- The Seller must obtain either Form 70, *Uniform Residential Appraisal Report*, Form 465, *Appraisal Report-Individual Condo or PUD unit*, or Form 2055, *Loan Prospector Quantitative Analysis Appraisal Report*, with an interior and exterior inspection

Servicing

To be eligible to service Freddie Mac 100 mortgages, you must be a Freddie Mac Tier 1 or Tier 2 Servicer in both Performing Loans and Nonperforming Loans.

Eligible Executions

Gold Cash[®], Guarantor and MultiLender Swap executions, or sell for Cash through Freddie Mac's Selling System

Delivery Requirements

- Gold Cash Offer Product Numbers:
 - ⇒ 30-year: 690
 - ⇒ 20-year: 691
 - ⇒ 15-year: 692
- SCC: 583 (for Freddie Mac 100 mortgages with an Affordable Second)
- May be pooled with other conventional fixed-rate mortgages

Delivery Fees

Postsettlement delivery fees apply. See Exhibit 19 of the Guide for details or visit our online Guide Exhibit 19 at: www.FreddieMac.com/singlefamily/pdf/ex19.pdf

In October 2003, we reduced the postsettlement delivery fee rates for 20- and 30-year fixed-rate Freddie Mac 100 mortgages from 1.25% to 1.00%.

The delivery fee rate for 15-year fixed-rate Freddie Mac 100 mortgages remains the same at 0.75%.

Learn more about Freddie Mac 100 mortgages:

- Call (800) FREDDIE
- Visit our website: www.FreddieMac.com
- Refer to *Single-Family Seller/Servicer Guide* Chapter G33.

The information in this document is not a replacement or substitute for information found in the *Single-Family Seller/Servicer Guide* Chapter G33 and/or the terms of your Master Agreement and/or Master Commitment.

¹ Contact your mortgage insurance company for specific availability of coverage for 100% LTV mortgages on a state-by-state basis.