



## Guaranteed Rural Housing

### Broaden your market reach with a competitive affordable housing product

Through the Guaranteed Rural Housing (GRH) program, you can meet the needs of rural borrowers who have the necessary income and credit history, but not the down payment required to qualify for a conventional mortgage. Freddie Mac purchases loans guaranteed by the Rural Housing Service (RHS) under its Section 502 GRH Loan Program. We purchase assumable and non-assumable GRH loans through our Fixed-rate Cash, Fixed-rate Guarantor, and MultiLender Swap executions. Sellers must obtain prior approval to sell Section 502 GRH mortgages to Freddie Mac and they must be sold with recourse. Full and complete information about the GRH loan program is available from RHS offices.

#### > Borrower Profile

- Rural borrowers who have the income and credit history, but not the down payment required to qualify for a conventional mortgage

#### > Key Features

- Maximum LTV of 102% when financing allowed closing costs
- Purchase and no cash-out refinances as permitted by RHS
- Non-Loan Prospector®
- Mortgage Insurance is not required based on government guarantee

#### > Borrower Benefits

- Down payment and borrower reserves not required
- Certain closing costs, including the 2% guarantee fee, to be included in the loan amount under certain circumstances
- Borrowers can receive various options for funding, subject to GRH Section 502 Program restrictions
- Additional flexibility with no cash-out refinancing as permitted under the GRH Section 502 Program

ORIGINATION & UNDERWRITING REQUIREMENTS	
<b>Eligible Property Types, (Subject to GRH Section 502 Program guidelines)</b>	<ul style="list-style-type: none"> <li>• 1-unit, primary residences, including single-family dwellings, condominiums, planned unit developments (PUDs) and eligible manufactured housing</li> <li>• Non-farm</li> <li>• Leasehold and rehabilitated properties</li> <li>• Property must meet the RHS rural designation</li> </ul>
<b>Eligible Mortgages</b>	<ul style="list-style-type: none"> <li>• Purchase and No Cash-out Refinances, subject to GRH Section 502 Program guidelines</li> <li>• 30-year, fixed-rate mortgages</li> <li>• Non-Loan Prospector mortgages</li> </ul>
<b>Special Underwriting Requirements</b>	<ul style="list-style-type: none"> <li>• Assumable mortgages must be sold to Freddie Mac with recourse within the meaning of Guide Section 11.10(a).</li> <li>• The Note Date may not exceed 12 months prior to the delivery date.</li> <li>• Secondary financing is generally not permitted.</li> <li>• Mortgage insurance is not required based on government guarantee.</li> <li>• Maximum loan amount may not exceed Freddie Mac loan limits or any RHS loan limits for this program.</li> <li>• Underwriting requirements are based on RHS program requirements and take into consideration the unique needs of borrowers in rural locations. See the GRH program guidelines.</li> </ul>
DELIVERY REQUIREMENTS	
<b>Eligible Executions</b>	<ul style="list-style-type: none"> <li>• Fixed-rate Cash, servicing-retained</li> <li>• Fixed-rate Guarantor</li> <li>• MultiLender Swap</li> </ul>
<b>Cash Delivery Requirements</b>	<ul style="list-style-type: none"> <li>• When selling Section 502 GRH mortgages for cash in the selling system, use the drop-down menu and select the applicable contract product and loan product. <ul style="list-style-type: none"> <li>▪ Contract Product: 30-year Fixed-rate FHA/VA; Loan Product: 30-year assumable 502 Guaranteed Rural Housing (GRH).</li> <li>▪ Contract Product: 30-year non-assumable 502 Guaranteed Rural Housing (GRH); Loan Product: 30-year non-assumable 502 Guaranteed Rural Housing (GRH).</li> </ul> </li> <li>• Offer Product Numbers are not required for mortgages sold through the selling system.</li> </ul>
<b>Pooling Requirements</b>	<ul style="list-style-type: none"> <li>• Non-assumable Section 502 GRH mortgages delivered under the Guarantor program may be purchased and pooled together with fixed-rate conventional mortgages.</li> <li>• Assumable Section 502 GRH mortgages may be delivered under the Guarantor program following FHA/VA pooling requirements.</li> </ul>
<b>Delivery Fees</b>	<ul style="list-style-type: none"> <li>• No post settlement delivery fee for assumable Section 502 Guaranteed Rural Housing Mortgages. See Exhibit 19 of the Guide for other possible fees and details for non-assumable Section 502 GRH Mortgages. Visit Guide Exhibit 19 online at <a href="http://www.FreddieMac.com/singlefamily/pdf/ex19.pdf">http://www.FreddieMac.com/singlefamily/pdf/ex19.pdf</a>.</li> <li>• Non-assumable Guaranteed Rural Housing Mortgages secured by manufactured homes will be assessed an additional manufactured home postsettlement delivery fee, unless they are sold to Freddie Mac with full recourse or indemnification.</li> </ul>

**Learn more about Guaranteed Rural Housing:**

- Review Chapter 35 of the *Single Family Seller/Service Guide*
- Call (800) FREDDIE
- Visit [www.FreddieMac.com](http://www.FreddieMac.com)