



We make home possible®



Freddie Mac's Home Possible® 100 Mortgages

A responsible, low down payment mortgage option for first-time homebuyers and low- and moderate-income borrowers

Freddie Mac's Home Possible 100 Mortgage provides you with an easy and convenient way to expand your reach in rapidly growing markets including first-time homebuyers, move-up borrowers, retirees, and families in Underserved Areas, new immigrants, very low and low- to-moderate-income borrowers.

Our competitive offering provides you with low down payment and flexible credit terms to make it easier for you to meet more of your borrowers' needs.

> Borrower Profile

- First-time homebuyers, move-up borrowers and retirees
- Families in Underserved Areas
- New immigrants and very low and low- to-moderate-income borrowers
- Borrowers with limited savings

> Key Features

- 15-, 20-, 30- and 40-year fixed-rate mortgages
- 5/1 (2/2/5 caps), 7/1, and 10/1 CMT- and LIBOR-indexed ARMs
- 1-unit primary residences, including condos and PUD units, excluding manufactured homes
- Maximum financing up to 105 percent total loan-to-value (TLTV) for qualified borrowers

> Borrower Benefits

- Stable monthly mortgage payments for at least 5 years
- Flexible closing cost funding options
- Reduced mortgage insurance coverage levels
- No cash-out refinancing

ORIGINATION & UNDERWRITING REQUIREMENTS

Eligible Property Types	<ul style="list-style-type: none"> • 1-unit, owner-occupied primary residence, including condominiums and planned unit developments (PUDS) • Manufactured homes are not eligible. 						
Eligible Mortgages	<ul style="list-style-type: none"> • Purchase and “no cash-out” refinance • 15-, 20-, 30- and 40-year fixed rate mortgages • 5/1 (2/2/5 caps), 7/1, and 10/1 convertible and non-convertible ARMs • May be A-minus Mortgages • Newly built home mortgages, construction conversion and renovation mortgages are ineligible. • May not be combined with most other Freddie Mac mortgage products or negotiated products and offerings or underwriting waivers. See Guide Section A34.3 (b) for a complete list of ineligible mortgages. • Freddie Mac’s Home Possible 100 Mortgage is easy to assess through our automated underwriting system, Loan Prospector®, and sell to us using a variety of cash and securities executions. • However, convertible ARMs cannot be sold through the Freddie Mac Selling System. 						
Limited Temporary Subsidy Buydowns	<ul style="list-style-type: none"> • Temporary subsidy buydowns are not permitted with: <ul style="list-style-type: none"> ▪ Secondary financing that has a variable interest rate. ▪ Mortgage Credit Certificates. • Limited temporary subsidy buydowns provide for an initial interest rate that is: <ul style="list-style-type: none"> ▪ Temporarily reduced up to two percentage points below the Note Rate. ▪ Increased up to one percentage point annually for no more than two years. • The borrower may be qualified at the initial bought down rate plus 1%. 						
Maximum LTV/TLTV Ratios	<table border="1" data-bbox="522 676 1263 730"> <thead> <tr> <th>Number of units</th> <th>Maximum LTV ratio</th> <th>Maximum TLTV ratio</th> </tr> </thead> <tbody> <tr> <td>1-unit</td> <td>100%</td> <td>105%</td> </tr> </tbody> </table> <p>Note: All Home Possible 100 Mortgages with LTV/TLTV greater than 97% must have an Indicator Score equal to or greater than 700.</p>	Number of units	Maximum LTV ratio	Maximum TLTV ratio	1-unit	100%	105%
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Secondary Financing	<ul style="list-style-type: none"> • Affordable Seconds (Guide Section 25.1(g)) and Rural Housing Service (RHS) Leveraged Seconds meeting the requirements in Guide Section 35.3 are permitted as a source of funds for down payment, closing costs, financing costs and prepaids/escrows for Home Possible Mortgages. Affordable Seconds with no payments due before the 61st payment on the Home Possible Mortgage may be entered in the Total Gift Field of Loan Prospector. In all other respects, the Affordable Second must be considered as secondary financing. • For Refinances, any secondary financing that is resubordinated to the lien of the new refinance Mortgage must be an Affordable Second that meets the requirements of Section 25.1(g), or an RHS Leveraged Second that meets the requirements of Section 35.3. 						
Borrower Credit Requirements	<ul style="list-style-type: none"> • Must be submitted to Loan Prospector • Loan Prospector mortgages with invalid, ineligible, or incomplete assessment, and Loan Prospector Caution ineligible for-A-minus mortgages must be manually underwritten, in accordance with the requirements in Chapter A34, including: <ul style="list-style-type: none"> ▪ 1-unit: Minimum Indicator Score of 700 required for manually underwritten mortgages with LTV ratio greater than 97%. ▪ Maximum monthly debt-payment-to-income ratio for manually Underwritten Mortgages is 43% ▪ Because an Indicator Score of 700 is required, Home Possible Mortgages with an LTV or TLTV ratio greater than 97% cannot be manually underwritten without an Indicator Score as described in Guide Section A34.8 (d). • Monthly housing expense to income ratio may be calculated using the monthly payment at the bought down rate plus 1% for Limited Buydowns. 						
Mortgage Credit Certificates	<ul style="list-style-type: none"> • Mortgage Credit Certificates (MCCs) may be used with Home Possible Mortgages if: <ul style="list-style-type: none"> ▪ The Seller performs an analysis to determine the amount of the tax credit stated in the MCC that the occupying borrower is actually entitled to use in the current tax year calculated on a monthly basis. ▪ The Seller deducts the adjusted amount of the tax credit from the actual monthly housing expense payment and uses the adjusted monthly housing expense to compute the monthly debt-payment-to-income ratio, and the monthly housing expense-to-income ratio. ▪ The Seller documents his or her calculations of the adjusted monthly housing expense, including the analysis of the amount of the mortgage tax credit to be used, using either the MCC Worksheet developed by Freddie Mac (see Exhibit 21, Mortgage Credit Certificate Worksheet) or a worksheet containing substantially similar information and calculations. • The mortgage file must contain a copy of the: <ul style="list-style-type: none"> ▪ MCC and MCC Worksheet. ▪ W4 and W4 Worksheet. • MCCs may not be used with Affordable Seconds derived from federal tax-exempt financing. 						
Eligible Borrowers	<ul style="list-style-type: none"> • All Borrowers must occupy the Mortgage Premises as a primary residence. • Borrower may not, as of the Note Date, have any ownership interest in any other residential properties. • Borrower must meet income limits. Loan Prospector will indicate income eligibility. • Seller must attempt to verify all income reported on the Uniform Residential Loan Application and all reported income that has been verified and that is stable monthly income must be used to qualify the borrower and in determining whether the borrower meets the income limits. 						
Reserves	<ul style="list-style-type: none"> • Reserves are not required, but are recommended. 						
Down Payment Requirements	<ul style="list-style-type: none"> • No minimum down payment is required. 						

Sources of Funds/Borrower Contribution	<table border="1"> <thead> <tr> <th>Use</th> <th>Permitted Sources of Funds</th> </tr> </thead> <tbody> <tr> <td>No borrower contribution required</td> <td>N/A</td> </tr> <tr> <td>Down payment for purchase transaction</td> <td> <ul style="list-style-type: none"> • Borrower personal funds • Other borrower funds </td> </tr> <tr> <td>Additional equity if needed for a 'no cash-out' refinance transaction</td> <td> <ul style="list-style-type: none"> • Borrower personal funds • Other borrower funds </td> </tr> <tr> <td>Closing costs, financing costs, prepaids/escrows</td> <td> <ul style="list-style-type: none"> • Borrower personal funds • Other borrower funds • Flexible sources of funds </td> </tr> <tr> <td>Reserves for Home Possible Mortgages</td> <td> <ul style="list-style-type: none"> • Borrower personal funds • Other borrower funds excluding Gift Funds • Borrower reserves (as described in Section 26.5) </td> </tr> </tbody> </table> <p>See Guide Section A34.2 (b) for a complete source of funds definitions.</p>	Use	Permitted Sources of Funds	No borrower contribution required	N/A	Down payment for purchase transaction	<ul style="list-style-type: none"> • Borrower personal funds • Other borrower funds 	Additional equity if needed for a 'no cash-out' refinance transaction	<ul style="list-style-type: none"> • Borrower personal funds • Other borrower funds 	Closing costs, financing costs, prepaids/escrows	<ul style="list-style-type: none"> • Borrower personal funds • Other borrower funds • Flexible sources of funds 	Reserves for Home Possible Mortgages	<ul style="list-style-type: none"> • Borrower personal funds • Other borrower funds excluding Gift Funds • Borrower reserves (as described in Section 26.5)
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Loan Prospector Assessment	<ul style="list-style-type: none"> • Must be submitted to Loan Prospector except Home Possible Mortgages with Rural Housing Leveraged Seconds can be a Manually Underwritten Mortgage. • Use Loan Prospector Offering Identifier Code: 240 • Must enter Loan Prospector Key Number for all Loan Prospector Mortgages and for mortgages assessed as invalid, ineligible, or incomplete. 												
Additional Special Underwriting Requirements	<ul style="list-style-type: none"> • Rental income from a 1-unit primary residence that meets the requirements of Guide Section A34.9 (a) may be considered as stable monthly income. 												
Special Requirements for "No Cash-Out" Refinances	<p>"No cash-out" refinance mortgages must comply with the requirements of Guide Sections 24.2 and 24.5 with the following exceptions:</p> <ul style="list-style-type: none"> • Any secondary financing that is not satisfied and is resubordinated to the lien of the new refinance mortgage must be an Affordable Second or RHS Leveraged Second meeting the requirements in Section 35.3. • All sources of funds must be documented in accordance with the requirements of Sections 37.21, 37.21.1, 37.22 and 37.23, as applicable. 												
Mortgage Insurance Requirements	<table border="1"> <thead> <tr> <th>LTV Ratio</th> <th>Mortgage Insurance Coverage</th> </tr> </thead> <tbody> <tr> <td>> 97% to 100%</td> <td>20%</td> </tr> <tr> <td>> 95% to 97%</td> <td>18%</td> </tr> <tr> <td>> 90% to 95%</td> <td>16%</td> </tr> <tr> <td>> 85% to 90%</td> <td>12%</td> </tr> <tr> <td>> 80% to 85%</td> <td>6%</td> </tr> </tbody> </table> <p>Lender-Paid and financed mortgage insurance premiums are permitted. Flexible mortgage insurance options are not permitted.</p>	LTV Ratio	Mortgage Insurance Coverage	> 97% to 100%	20%	> 95% to 97%	18%	> 90% to 95%	16%	> 85% to 90%	12%	> 80% to 85%	6%
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Collateral Evaluation	<ul style="list-style-type: none"> • 1-unit Primary Residences: Use Form 70 • Condominiums: Use Form 465 												
Homebuyer Education	<ul style="list-style-type: none"> • Homeownership education is required before the Note date for at least one qualifying Borrower if all Borrower(s) are First-Time Homebuyers*. • A copy of Exhibit 20, Homeownership Education Certification, or another document containing comparable information must be retained in the Mortgage file and web-based homeownership education programs developed by mortgage insurance programs are acceptable. 												
Borrower Disclosure	<ul style="list-style-type: none"> • Borrower disclosure and consent required at closing allowing disclosure of borrower information in the event of delinquency. • See Guide Section A34.12 (b) for more details. 												
DELIVERY REQUIREMENTS													
Eligible Executions	<ul style="list-style-type: none"> • Sell through the following executions: <ul style="list-style-type: none"> ▪ Servicing-Released Cash ▪ Servicing-Retained Cash ▪ WAC ARM Cash ▪ Fixed-Rate Guarantor ▪ WAC ARM Guarantor 												

	<ul style="list-style-type: none"> ▪ MultiLender Swap • Use Freddie Mac's selling system for easy secondary market sale.
Delivery Requirements	<ul style="list-style-type: none"> • On Form 11 or 13SF, deliver: <ul style="list-style-type: none"> ▪ Special Characteristics Code (SCC) G02 for Home Possible 100 Mortgages. ▪ SCC 071, Affordable Housing Initiative. ▪ LP Key Number • Special Note: Home Possible Mortgages require the delivery of an alphanumeric SCC. Check with your loan origination software (LOS) vendor to find out if your system supports alphanumeric SCCs. • You must deliver SCC 140 for all purchase transactions with Home Possible Mortgages where the borrower's income is at or below 80% of AMI and for purchase transactions with Home Possible Mortgages secured by properties located in eligible disaster areas affected by Hurricanes Katrina and Rita that are originated on or before June 30, 2008, and delivered on or before September 30, 2008. • You may also need to deliver one or more of these SCCs based on the characteristics of the mortgage: <ul style="list-style-type: none"> ▪ 532: Noncredit Payment References ▪ 535: TLTV ratio greater than 100 percent ▪ 547: Cash on hand used as Borrower Personal Funds ▪ 583: Affordable Seconds used <ul style="list-style-type: none"> ▪ G18: Affordable Seconds with no payments before the sixty-first payment on the Home Possible Mortgage may be entered in the Total Gift Field of Loan Prospector. <p>See Guide Section 17.13.1 for complete delivery requirements.</p>
Pooling Requirements	<ul style="list-style-type: none"> • There are no special pooling requirements for Home Possible Mortgages. Refer to Chapter 13 for pooling requirements for fixed-rate mortgages and Chapter A13 for pooling requirements for ARMs. • Mortgages may be pooled with non-Home Possible Mortgages.
Delivery Fees	<ul style="list-style-type: none"> • Special postsettlement delivery fees apply to Home Possible 100 Mortgages. See Guide Exhibit 19 for more details. • There is a reduced delivery fee rate for purchase transactions with Home Possible Mortgages where the borrower's income is at or below 80% of AMI and for purchase transactions with Home Possible Mortgages secured by properties located in eligible disaster areas affected by Hurricanes Katrina and Rita that are originated on or before June 30, 2008, and delivered on or before September 30, 2008. • The following other delivery fees will not be assessed when the mortgage is delivered as a Home Possible 100 Mortgage: <ul style="list-style-type: none"> ▪ CS/LTV (A-minus) ▪ Secondary financing if an Affordable Second ▪ 7/1 or 10/1 Adjustable-rate Mortgages (ARMs) ▪ Indicator Score and LTV ratio-based delivery fee rate <p>See Exhibit 19 of the Guide for complete delivery fee details, including other applicable delivery fees.</p>
SERVICING REQUIREMENTS	
<ul style="list-style-type: none"> • Must be Tier I or Tier II Servicer. • Servicer must provide Early Delinquency Counseling to borrowers who become delinquent during the first year of the mortgage. • See Guide Section 64.4 for more details. 	

Learn more about Home Possible 100 Mortgages:

- Review Chapter A34 of the *Single Family Seller/Servicer Guide*
- Call (800) FREDDIE
- Visit www.FreddieMac.com