



## Freddie Mac's Home Possible® Mortgages

**Capitalize on opportunities to meet the home financing needs of your borrowers looking for responsible low down payment options and flexible credit terms**

With Freddie Mac's Home Possible Mortgages, you can offer your borrowers low down payment options and flexible credit terms.

What's more, you have even greater flexibilities to serve borrowers who work in your community—like teachers, firefighters, healthcare workers, law enforcement officers and military personnel—so that they can live in the communities they support so well.

### > 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
- Individuals who work in your community in the fields of education, healthcare, fire prevention/protection, law enforcement, and the U.S. armed forces

### > Key Features

- Available through the Freddie Mac Single-Family Seller/Service Guide
- 15-, 20-, and 30- and 40-year fixed-rate mortgages
- 5/1, (2/2/5 caps), 7/1, and 10/1 CMT & LIBOR-indexed ARMs
- 1- to 4-unit primary residences
- Maximum financing up to 105 percent 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

## Home Possible Quick Reference For Mortgage Brokers

Below you'll find high-level guidelines for Freddie Mac's Home Possible Mortgages. Remember, you'll need to use Loan Prospector® to assess Home Possible Mortgages. Please talk with your wholesale lender and refer to Freddie Mac's *Single Family Seller/Service Guide* Chapter A34 for a complete statement of the terms and conditions for Home Possible Mortgages.

Product Details	Home Possible 100	Home Possible 97	Home Possible Neighborhood Solution 100	Home Possible Neighborhood Solution 97
Occupancy/Property Type	1-unit primary residences; manufactured homes (MH) <b>not</b> eligible	1–4 unit primary residences, manufactured homes (MH) with additional requirements	1-unit primary residences; manufactured homes (MH) <b>not</b> eligible	1–2 unit primary residences, manufactured homes (MH) with additional requirements
LTV/TLTV	100%/105%  All Home Possible Mortgages with LTV/TLTV greater than 97% must have an Indicator Score equal to or greater than 700.	<ul style="list-style-type: none"> <li>• 1–unit: 97%/105</li> <li>• 2–4 units: 95%/100%</li> <li>• MH per Chapter H33 of the Seller/Service Guide (Guide)</li> </ul> All Home Possible Mortgages with LTV/TLTV greater than 97% must have an Indicator Score equal to or greater than 700.	100%/105%  All Home Possible Mortgages with LTV/TLTV greater than 97% must have an Indicator Score equal to or greater than 700.	<ul style="list-style-type: none"> <li>• 1– unit: 97%/105%</li> <li>• 2-units: 95%/100%</li> <li>• MH per Chapter H33.3 (d) and (e) of the Seller/Service Guide (Guide)</li> </ul> All Home Possible Mortgages with LTV/TLTV greater than 97% must have an Indicator Score equal to or greater than 700.
Secondary Financing	<ul style="list-style-type: none"> <li>• 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 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.</li> <li>• 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.</li> </ul>			
Borrower Contribution	No borrower contribution is required.	<ul style="list-style-type: none"> <li>• 1-unit primary residences: none required</li> <li>• 2–4 unit primary residences: 3% of value</li> <li>• Manufactured homes: 5% of value</li> </ul>	No borrower contribution is required.	<ul style="list-style-type: none"> <li>• 1-unit: none</li> <li>• 2-unit: 3% of value</li> <li>• MH: 5% of value</li> </ul>
Loan Purpose	Purchase and no-cash out refinance			
Eligible Mortgages	<ul style="list-style-type: none"> <li>• 15-, 20-, 30- and 40-year fixed-rate mortgages</li> <li>• 5/1 (2/2/5 caps) 7/1 and 10/1 convertible and nonconvertible ARMs</li> </ul>	<ul style="list-style-type: none"> <li>• 15-, 20-, 30- and 40-year fixed-rate mortgages</li> <li>• 5/1 (2/2/5 caps) 7/1 and 10/1 convertible and non-convertible ARMs</li> </ul>	<ul style="list-style-type: none"> <li>• 15-, 20-, 30- and 40-year fixed-rate mortgages</li> <li>• 5/1 (2/2/5 caps) 7/1 and 10/1 convertible and nonconvertible ARMs</li> </ul>	<ul style="list-style-type: none"> <li>• 15-, 20-, 30- and 40-year fixed-rate mortgages</li> <li>• 5/1 (2/2/5 caps) 7/1 and 10/1 convertible and non-convertible ARMs. 5/1 not</li> </ul>

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	<ul style="list-style-type: none"> <li>• May be A-minus Mortgages</li> <li>• Newly built home mortgages secured by a manufactured home, construction conversion mortgages, and renovation mortgages are ineligible.</li> <li>• Newly built home mortgages secured by a site-built home are eligible.</li> </ul> <p><b>Note:</b> Convertible ARMs cannot be sold through the Freddie Mac Selling System.</p>	<p>(permitted for 1- and 2-units only). 5/1 not permitted with MH</p> <ul style="list-style-type: none"> <li>• May be A-minus Mortgages</li> <li>• Newly built home mortgages secured by a manufactured home, construction conversion mortgages, and renovation mortgages are ineligible.</li> <li>• Newly built home mortgages secured by a site-built home are eligible.</li> </ul> <p><b>Note:</b> Convertible ARMs cannot be sold through the Freddie Mac Selling System.</p>	<ul style="list-style-type: none"> <li>• May be A-minus Mortgages</li> <li>• Newly built home mortgages secured by a manufactured home, construction conversion mortgages and renovation mortgages, are ineligible.</li> <li>• Newly built home mortgages secured by a site-built home are eligible.</li> </ul> <p><b>Note:</b> Convertible ARMs cannot be sold through the Freddie Mac Selling System.</p>	<p>permitted with MH</p> <ul style="list-style-type: none"> <li>• May be A-minus Mortgages</li> <li>• Newly built home mortgages secured by a manufactured home, construction conversion mortgages, and renovation mortgages are ineligible.</li> <li>• Newly built home mortgages secured by a site-built home are eligible.</li> </ul> <p><b>Note:</b> Convertible ARMs cannot be sold through the Freddie Mac Selling System.</p>
Mortgage Insurance	<ul style="list-style-type: none"> <li>• Greater than 80% up to 85% = 6% coverage</li> <li>• Greater than 85% up to 90% = 12% coverage</li> <li>• Greater than 90% up to 95% = 16% coverage</li> <li>• Greater than 95% up to 97% = 18% coverage</li> <li>• Greater than 97% up to 100% coverage = 20% coverage</li> </ul>			→
Required Underwriting	<ul style="list-style-type: none"> <li>• Must be submitted to Loan Prospector; Manual underwriting allowed based on Loan Prospector results; allowing for non-traditional credit</li> </ul> <p><b>Note:</b> All Home Possible Mortgages with LTV/TLTV greater than 97% must have an Indicator Score equal to or greater than 700.</p>			→
Loan Prospector Offering Identifier Code	Offering Identifier Code: 240	Offering Identifier Code: 241	Offering Identifier Code: 242	Offering Identifier Code: 243
Income Limits	Borrowers must meet income limits. Loan Prospector will indicate income eligibility.			→

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Education/Counseling	<ul style="list-style-type: none"> <li>• Homeownership education is required before the note date for at least one qualifying borrower if all borrower(s) are first-time homebuyers.</li> <li>• 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 companies are acceptable.</li> </ul>			
Temporary Subsidy Buydowns	Limited temporary subsidy buydowns (2/1) are not permitted for MCCs, and secondary financing that has a variable interest rate.	Limited temporary subsidy buydowns (2/1) are not permitted for mortgages with 2–4 unit primary residences, MHs, MCCs and secondary financing that has a variable interest rate.	Limited (2/1) and Extended (1.5/1.0/0.5) temporary subsidy buydowns are not permitted for MCCs, MHs and secondary financing that has a variable interest rate.	<ul style="list-style-type: none"> <li>• Limited (2/1) and Extended (1.5/1.0/0.5) temporary subsidy buydowns are not permitted for MCCs, MHs and secondary financing that has a variable interest rate.</li> <li>• Extended buydowns are permitted only for 1–2 unit primary residences.</li> <li>• Limited buydowns are permitted only for 1-unit primary residences.</li> </ul>
Eligible Borrowers	<ul style="list-style-type: none"> <li>• Borrowers must occupy the mortgaged premises as a primary residence.</li> <li>• Borrower may not, as of the Note Date, have any ownership interest in any other residential properties.</li> </ul>	→	<ul style="list-style-type: none"> <li>• Borrowers who support their communities, such as teachers, firefighters, law enforcement officers, healthcare workers and military personnel</li> <li>• Borrowers must occupy the mortgaged premises as a primary residence.</li> <li>• Borrower may not, as of the Note Date, have any ownership interest in any other residential properties.</li> </ul>	→
Reserves	None	2–4 units = 2 months	One month	One month

**Learn more about Home Possible Mortgages:**

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

