



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 flexibility to serve borrowers who work in your community—like teachers, firefighters, health care 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, health care, fire prevention/protection, law enforcement, and the U.S. Armed Forces

> Key Features

- Available through the Freddie Mac *Single-Family Seller/Servicer Guide*
- 15-, 20-, and 30-year fixed-rate mortgages for 1- to 4-unit primary residences
- 40-year fixed-rate mortgages for 1-unit primary residences
- 5/1, (2/2/5 caps), 7/1, and 10/1 CMT & LIBOR-indexed ARMs
- Manufactured homes eligible (with certain requirements)
- Maximum financing up to 105 percent TLTV for qualified borrowers

> Borrower Benefits

- Stable monthly payments with fixed-rate mortgages
- 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 97			Home Possible Neighborhood Solution 97		
Occupancy/Property Type	1–4 unit primary residences, manufactured homes (MH) with additional requirements			1–2 unit primary residences, manufactured homes (MH) with additional requirements		
LTV/TLTV	Number of Units	Maximum LTV Ratio	Maximum TLTV Ratio	Number of Units	Maximum LTV Ratio	Maximum TLTV Ratio
	1-unit	<ul style="list-style-type: none"> • 97% for mortgages assessed by Loan Prospector • 95% for manually underwritten mortgages 	<ul style="list-style-type: none"> • 105% for mortgages assessed by Loan Prospector • 105% for manually underwritten mortgages with an Indicator Score • 97% for manually underwritten mortgages without an Indicator Score 	1-unit	<ul style="list-style-type: none"> • 97% for mortgages assessed by Loan Prospector • 95% for manually underwritten mortgages 	<ul style="list-style-type: none"> • 105% for mortgages assessed by Loan Prospector • 105% for manually underwritten mortgages with an Indicator Score • 97% for manually underwritten mortgages without an Indicator Score
	2-units	95%	100%	2-units	95%	100%
	3-units	95%	100%	Manufactured home	See Chapter H33.3 for more details	See Chapter H33.3 for more details
	4-units	95%	100%	Note: All Home Possible Mortgages with TLTV greater than 97% must have an Indicator Score equal to or greater than 700.		
	Manufactured home	See Chapter H33.3 for more details	See Chapter H33.3 for more details	<ul style="list-style-type: none"> • All subordinate financing must be an Affordable Second, per Guide Section 25.1(g). • 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. • 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. 		
Secondary Financing	<ul style="list-style-type: none"> • All subordinate financing must be an Affordable Second, per Guide Section 25.1(g). • 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. • 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. 			<ul style="list-style-type: none"> • All subordinate financing must be an Affordable Second, per Guide Section 25.1(g). • 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. • 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 Contribution	<ul style="list-style-type: none"> • 1-unit primary residences: none required • 2- to 4-unit primary residences: 3% of value • Manufactured homes: 5% of value 			<ul style="list-style-type: none"> • 1-unit primary residences: none required • 2-unit primary residences: 3% of value (3–4 units not permitted) • Manufactured homes: 5% of value 		
Loan Purpose	Purchase and no-cash out refinance			Purchase and no-cash out refinance		
Eligible Mortgages	<ul style="list-style-type: none"> • Conventional fixed-rate mortgages • Convertible and nonconvertible 7/1 and 10/1ARMs if secured by a 1- or 2-unit primary residence • Convertible and nonconvertible 5/1 ARMs with an initial cap of 2%, a periodic cap of 2%, and a life cap of 5% if secured by a 1- or 2-unit primary residence other than a manufactured home • Home Possible Mortgages may be the following provided the mortgage meets the applicable requirements for that offering and Guide Chapter A34: <ul style="list-style-type: none"> ▪ Home Possible Mortgages with RHS Leveraged 			<ul style="list-style-type: none"> • Conventional fixed-rate mortgages • Convertible and nonconvertible 7/1 and 10/1ARMs • Convertible and nonconvertible 5/1 ARMs with an initial cap of 2%, a periodic cap of 2%, and a life cap of 5% if secured by a 1- or 2-unit primary residence other than a manufactured home • Home Possible Mortgages may be the following provided the mortgage meets the applicable requirements for that offering and Guide Chapter A34: <ul style="list-style-type: none"> ▪ Home Possible Mortgages with RHS Leveraged Seconds originated in accordance with Section 35.3 		

Product Details	Home Possible 97	Home Possible Neighborhood Solution 97																						
	<p>Seconds originated in accordance with Section 35.3.</p> <ul style="list-style-type: none"> • Home Possible Mortgages eligible for purchase must be first lien mortgages that are fully amortizing. • Home Possible Mortgages secured by a 1-unit primary residence, other than a manufactured home, must have an original maturity date not greater than 40 years for fixed-rate mortgages and not greater than 30 years for ARMs. • All other Home Possible Mortgages must have an original maturity date not greater than 30 years for fixed-rate mortgages and ARMs. • Home Possible Mortgages secured by a manufactured home and Home Possible Mortgages with a RHS Leveraged Second must have a maximum original maturity not greater than that specified in Sections H33.3(d) and 35.3(b)(1st bullet), respectively. 	<ul style="list-style-type: none"> • Home Possible Mortgages eligible for purchase must be first lien mortgages that are fully amortizing. • Home Possible Mortgages secured by a 1-unit primary residence, other than a manufactured home, must have an original maturity date not greater than 40 years for fixed-rate mortgages and not greater than 30 years for ARMs. • All other Home Possible Mortgages must have an original maturity date not greater than 30 years for fixed-rate mortgages and ARMs. • Home Possible Mortgages secured by a manufactured home and Home Possible Mortgages with a RHS Leveraged Second must have a maximum original maturity not greater than that specified in Sections H33.3(d) and 35.3(b)(1st bullet), respectively. 																						
Mortgage Insurance	<ul style="list-style-type: none"> • Greater than 80% up to 85% = 6% coverage • Greater than 85% up to 90% = 12% coverage • Greater than 90% up to 95% = 16% coverage • Greater than 95% up to 97% = 18% coverage • Manufactured homes: As required by Section H33.3(f) 	<ul style="list-style-type: none"> • Greater than 80% up to 85% = 6% coverage • Greater than 85% up to 90% = 12% coverage • Greater than 90% up to 95% = 16% coverage • Greater than 95% up to 97% = 18% coverage • Manufactured homes: As required by Section H33.3(f) 																						
Credit Underwriting (Loan Prospector)	<ul style="list-style-type: none"> • All Home Possible Mortgages, except Home Possible Mortgages with a Rural Housing Service (RHS) Leveraged Second, must be submitted to Loan Prospector. • Home Possible Mortgages with a RHS Leveraged Second may be submitted to Loan Prospector or may be manually underwritten mortgages. • A borrower's credit reputation is acceptable if the Home Possible Mortgage receives a risk class of Accept. 	<ul style="list-style-type: none"> • All Home Possible Mortgages, except Home Possible Mortgages with a Rural Housing Service (RHS) Leveraged Second, must be submitted to Loan Prospector. • Home Possible Mortgages with a RHS Leveraged Second may be submitted to Loan Prospector or may be manually underwritten mortgages. • A borrower's credit reputation is acceptable if the Home Possible Mortgage receives a risk class of Accept. 																						
Credit Underwriting (Manually Underwritten Mortgages)	<ul style="list-style-type: none"> • If the Home Possible Mortgage does not receive a risk class of Accept, the mortgage may be eligible as a manually underwritten mortgage if Loan Prospector returns: <ul style="list-style-type: none"> ▪ A Caution risk class but the repository file used to create the selected borrower's credit report contains significant inaccurate credit information as specified in Guide Section 37.5(c). ▪ An evaluation of Incomplete. • The minimum Indicator Scores for manually underwritten mortgages are: <table border="1" data-bbox="349 1150 922 1875"> <thead> <tr> <th>Property Type</th> <th>Minimum Indicator Score</th> </tr> </thead> <tbody> <tr> <td>• 1-unit primary residence (other than a fixed-rate term of 40 years, an ARM, or a no cash-out refinance): <ul style="list-style-type: none"> ▪ TLTV greater than 97% ▪ TLTV 97% or less </td> <td>700 640</td> </tr> <tr> <td>• 1-unit primary residence that is a fixed-rate term of 40 years, an ARM, or a "no cash-out" refinance mortgage: <ul style="list-style-type: none"> ▪ TLTV greater than 97% ▪ TLTV 97% or less </td> <td>700 680</td> </tr> <tr> <td>• 2-unit primary residences</td> <td>700</td> </tr> <tr> <td>• 3- and 4-unit primary residences</td> <td>700</td> </tr> <tr> <td>• Eligible manufactured homes (other than a mortgage secured by a manufactured home with a term greater than 20 years and LTV/TLTV ratios greater than 90% and less than or equal to 95%)</td> <td>720</td> </tr> </tbody> </table> • If none of the borrowers has a usable Indicator Score, this determination must be made without Indicator Scores as described in Guide Section A34.8(d). 	Property Type	Minimum Indicator Score	• 1-unit primary residence (other than a fixed-rate term of 40 years, an ARM, or a no cash-out refinance): <ul style="list-style-type: none"> ▪ TLTV greater than 97% ▪ TLTV 97% or less 	700 640	• 1-unit primary residence that is a fixed-rate term of 40 years, an ARM, or a "no cash-out" refinance mortgage: <ul style="list-style-type: none"> ▪ TLTV greater than 97% ▪ TLTV 97% or less 	700 680	• 2-unit primary residences	700	• 3- and 4-unit primary residences	700	• Eligible manufactured homes (other than a mortgage secured by a manufactured home with a term greater than 20 years and LTV/TLTV ratios greater than 90% and less than or equal to 95%)	720	<ul style="list-style-type: none"> • If the Home Possible Mortgage does not receive a risk class of Accept, the mortgage may be eligible as a manually underwritten mortgage if Loan Prospector returns: <ul style="list-style-type: none"> ▪ A Caution risk class but the repository file used to create the selected borrower's credit report contains significant inaccurate credit information as specified in Guide Section 37.5(c). ▪ An evaluation of Incomplete. • The minimum Indicator Scores for manually underwritten mortgages are: <table border="1" data-bbox="950 1150 1523 1822"> <thead> <tr> <th>Property Type</th> <th>Minimum Indicator Score</th> </tr> </thead> <tbody> <tr> <td>• 1-unit primary residence (other than a fixed-rate term of 40 years, an ARM, or a no cash-out refinance): <ul style="list-style-type: none"> ▪ TLTV greater than 97% ▪ TLTV 97% or less </td> <td>700 640</td> </tr> <tr> <td>• 1-unit primary residence that is a fixed-rate term of 40 years, an ARM, or a "no cash-out" refinance mortgage: <ul style="list-style-type: none"> ▪ TLTV greater than 97% ▪ TLTV 97% or less </td> <td>700 680</td> </tr> <tr> <td>• 2-unit primary residences</td> <td>700</td> </tr> <tr> <td>• Eligible manufactured homes (other than a mortgage secured by a manufactured home with a term greater than 20 years and LTV/TLTV ratios greater than 90% and less than or equal to 95%)</td> <td>720</td> </tr> </tbody> </table> • If none of the borrowers has a usable Indicator Score, this determination must be made without Indicator Scores as described in Guide Section A34.8(d). 	Property Type	Minimum Indicator Score	• 1-unit primary residence (other than a fixed-rate term of 40 years, an ARM, or a no cash-out refinance): <ul style="list-style-type: none"> ▪ TLTV greater than 97% ▪ TLTV 97% or less 	700 640	• 1-unit primary residence that is a fixed-rate term of 40 years, an ARM, or a "no cash-out" refinance mortgage: <ul style="list-style-type: none"> ▪ TLTV greater than 97% ▪ TLTV 97% or less 	700 680	• 2-unit primary residences	700	• Eligible manufactured homes (other than a mortgage secured by a manufactured home with a term greater than 20 years and LTV/TLTV ratios greater than 90% and less than or equal to 95%)	720
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Loan Prospector Offering Identifier	Offering Identifier Code: 241	Offering Identifier Code: 243																						

Product Details	Home Possible 97	Home Possible Neighborhood Solution 97
Code		
Income Limits	Borrowers must meet income limits. Loan Prospector will indicate income eligibility.	Borrowers must meet income limits. Loan Prospector will indicate income eligibility.
Education/Counseling	<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. • Homeownership education must be provided by a party not involved in the sale or financing of the property; if provided by the originating lender or by the Seller, the homeownership education must be conducted by someone not directly involved in the loan origination, processing, or approval process. • A copy of Exhibit 20, <i>Homeownership Education Certification</i>, or another document containing comparable information must be retained in the mortgage file. The following types of homeownership education are acceptable: <ul style="list-style-type: none"> ▪ Internet-based homeownership education programs that have been developed by mortgage insurance companies. ▪ Homeownership education programs that meet the standards of the National Industry for Homeownership Education and Counseling (http://www.homeownershipstandards.com/). ▪ Programs using the Freddie Mac CreditSmart® financial education curriculum, provided modules 1, 2, 7, 11 and 12 are included. 	<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. • Homeownership education must be provided by a party not involved in the sale or financing of the property; if provided by the originating lender or by the Seller, the homeownership education must be conducted by someone not directly involved in the loan origination, processing, or approval process. • A copy of Exhibit 20, <i>Homeownership Education Certification</i>, or another document containing comparable information must be retained in the mortgage file. The following types of homeownership education are acceptable: <ul style="list-style-type: none"> ▪ Internet-based homeownership education programs that have been developed by mortgage insurance companies. ▪ Homeownership education programs that meet the standards of the National Industry for Homeownership Education and Counseling (http://www.homeownershipstandards.com/). ▪ Programs using the Freddie Mac CreditSmart® financial education curriculum, provided modules 1, 2, 7, 11 and 12 are included.
Temporary Subsidy Buydowns	<ul style="list-style-type: none"> • Limited buydown allowed: <ul style="list-style-type: none"> ▪ Initial interest rate reduced by no more than 2 percentage points below the note rate, and ▪ Increased by no more than one percentage point annually for no more than 2 years. ▪ Must comply with requirements of Guide Section 25.4 and A34.5. ▪ 1-unit primary residence only. • Note: Temporary subsidy buydowns are not eligible for: <ul style="list-style-type: none"> ▪ Mortgages secured by manufactured homes (refer to Guide Chapter H33). ▪ Mortgages with variable rate secondary financing. ▪ Mortgages with Mortgage Credit Certificates. 	<ul style="list-style-type: none"> • Limited buydown allowed. • Extended buydown allowed: <ul style="list-style-type: none"> ▪ Initial interest rate reduced by no more than 1.5 percentage points below the note rate, and ▪ Increased no more than 0.5 percentage points annually for no more than 3 years. ▪ Must comply with requirements of Guide Section 25.4 and A34.5 (except the underwriting requirements of Section 25.4(c)). ▪ 1-unit primary residence. • Note: Temporary subsidy buydowns are not eligible for: <ul style="list-style-type: none"> ▪ Mortgages secured by manufactured homes (refer to Guide Chapter H33). ▪ Mortgages with variable rate secondary financing. ▪ Mortgages with Mortgage Credit Certificates.
Eligible Borrowers	<ul style="list-style-type: none"> • Borrowers must occupy the mortgaged premises as a primary residence. • Borrower may not, as of the note date, have any ownership interest in any other residential properties. 	<ul style="list-style-type: none"> • Borrowers who support their communities, such as teachers, firefighters, law enforcement officers, health care workers, and military personnel. • Borrowers must occupy the mortgaged premises as a primary residence. • Borrower may not, as of the note date, have any ownership interest in any other residential properties.
Reserves	2–4 units = 2 months	One month

Learn more about Home Possible Mortgages:

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

