



Mortgages for 2- to 4-unit Primary Residences

An important form of affordable housing for low- to moderate-income borrowers

Originate these mortgages where 2- to 4-unit housing is the key affordable housing inventory for primary residences. Coupling these mortgages with a variety of Freddie Mac mortgage products helps you attract more low- and moderate-income borrowers or borrowers in underserved communities, and increase your Community Reinvestment Act- (CRA)-eligible origination volume. Originating mortgages secured by 2- to 4-unit properties also allows you to capitalize on volume from investment-oriented borrowers.

> Borrower Profile

- Low- to moderate-income borrowers
- Investment-oriented borrowers

> Key Features

- A variety of mortgage products to choose from when originating mortgages for 2- to 4-unit properties
- Another significant way to meet your CRA requirements
- An opportunity to reach deeper into your community to meet the needs of a more diverse borrower base

> Borrower Benefits

- Increase borrowers buying power using rental income
- Obtain home financing that meets their individual needs, whether it's flexible down payment options, investment purposes or more

ORIGINATION & UNDERWRITING REQUIREMENTS	
Eligible Property Types	<ul style="list-style-type: none"> ▪ 2- to 4-unit primary residences, including condos and PUDs
Eligible Mortgages	<ul style="list-style-type: none"> ▪ Purchase, no cash-out and cash-out refinance mortgages ▪ 15-, 20-, and 30-year fixed-rate mortgages ▪ Home Possible[®] Mortgages ▪ Loan Prospector A-minus Mortgages (1- to 2-unit) ▪ Affordable Merit Rate[®] Mortgages (1- to 2-unit) ▪ 5- and 7-year balloon/reset mortgages ▪ Most standard ARMs ▪ Seller-owned Modified Mortgages ▪ Seller-owned Converted Mortgages ▪ Financed Permanent Buydown Mortgages ▪ Streamlined Refinance Mortgages (1- to 2-unit) ▪ HUD Section 184 Indian Housing Loan Guarantee Program ▪ Super conforming mortgages. See Guide Chapter L33 for requirements.
Eligibility/Underwriting	<ul style="list-style-type: none"> ▪ Minimum Indicator Score of 620 unless otherwise specified in the Guide (Loan Prospector[®] A-minus Mortgages are exempt). ▪ All mortgages must meet the risk class and/or minimum Indicator Score requirements in Guide Exhibit 25A. ▪ Maximum debt-to-income ratio of 45 percent for manually underwritten mortgages except Streamlined Refinance Mortgages. ▪ Rental income from the other units can be added to your borrower's total income to calculate housing expense and debt-to-income ratios. ▪ See Guide Chapter 37.14 (b) for rental income requirements.
Additional Requirements	<ul style="list-style-type: none"> ▪ Borrower eligibility and underwriting requirements, collateral evaluation, servicing and other requirements vary by mortgage product. Refer to Freddie Mac's <i>Single-Family Seller/Servicer Guide</i> (Guide) for the requirements for individual mortgage products.
DELIVERY REQUIREMENTS	
Eligible Executions	<ul style="list-style-type: none"> ▪ Servicing-retained cash ▪ Weighted Average Coupon (WAC) ARM cash ▪ Fixed-rate Guarantor ▪ WAC ARM Guarantor ▪ MultiLender Swap <p>Refer to the Guide for eligibility by product type</p>
Delivery Requirements	<ul style="list-style-type: none"> ▪ Mortgages with delivery or settlement dates more than 120 days after the note date require an appraisal update meeting Chapter 44 requirements with an effective date no more than 60 days prior to the delivery or settlement date. If the property value has declined since the effective date of the original appraisal, the mortgage is only eligible for negotiated sale through our bulk sales path.
Delivery Fees	<ul style="list-style-type: none"> ▪ Postsettlement delivery fees may apply according to mortgage product type. See Guide Exhibit 19 for details, or access Guide Exhibit 19 online at www.FreddieMac.com/singlefamily/pdf/ex19.pdf.

Learn more about Freddie Mac mortgages secured by 2- to 4-unit properties:

- Refer to the *Single-Family Seller/Servicer Guide* under the mortgage product type you wish to originate and sell to Freddie Mac
- Call (800) FREDDIE
- Visit www.FreddieMac.com