



Newly Built Home Mortgages

Opportunities to finance newly constructed homes for your borrowers

With Newly Built Home Mortgages, your borrowers can purchase a newly constructed site-built home or a permanently affixed manufactured home as long as the title to the land and the completed improvements are taken simultaneously at the time of closing.

> Borrower Profile

- Borrowers seeking to purchase a newly built home or manufactured home
- First-time or move-up borrowers

> Key Features

- Purchase transactions only
- New site-built homes
- New manufactured homes
- Loan Prospector® or Non-Loan Prospector Mortgages

> Borrower Benefits

- Can be combined with Home Possible® Mortgages, creating an affordable lending solution for first-time homebuyers (site built homes only)
- Borrowers take the title to their new home and land at the time of closing

ORIGINATION & UNDERWRITING REQUIREMENTS	
Eligible Property Types	<ul style="list-style-type: none"> ▪ New 1- to 4-unit site-built homes ▪ New 1-unit manufactured homes ▪ Existing site-built or manufactured homes are not eligible
Eligible Property Occupancy	<ul style="list-style-type: none"> ▪ Primary residence ▪ Investment property ▪ Second homes
Eligible Mortgages	<ul style="list-style-type: none"> ▪ 15-, 20- and 30-year fixed-rate mortgages ▪ Most ARMs eligible for sale to Freddie Mac ▪ 5- and 7-year balloon/reset mortgages ▪ Home Possible Mortgages (site built only) ▪ Super conforming mortgages with applications dated on or after June 13, 2010 ▪ Purchase transaction only ▪ Values used to determine LTV, TLTV, and HTLTV for Newly Built Home Mortgages are calculated according to the requirements in Guide Section K33.12.
Ineligible Mortgages	<ul style="list-style-type: none"> ▪ All refinance mortgages ▪ Special purpose cash-out refinance mortgages ▪ Section 502 Guaranteed Rural Housing Mortgages ▪ Section 184 Native American Mortgages
Borrower Eligibility Requirements	<ul style="list-style-type: none"> ▪ The borrower must not be affiliated with or related to the builder, developer or the property seller, for Mortgages for Newly Constructed Homes secured by second homes and investment properties that are purchase transactions. ▪ Borrower must not have owned the land prior to closing and must not have secured any Interim Construction Financing or be obligated to pay off any Interim Construction Financing with the mortgage proceeds.
Special Underwriting Requirements	<ul style="list-style-type: none"> ▪ All mortgages must meet the risk class and/or minimum Indicator Score requirements in Exhibit 25A, where applicable. ▪ For mortgages with application dates on or after June 13, 2010 and settlement dates on or after January 1, 2011: <ul style="list-style-type: none"> □ A borrower's credit and capacity documentation must be dated no more than 120 days prior to the effective date of permanent financing □ If the settlement date is more than 120 days after the effective date of permanent financing, the Seller must obtain a new appraisal with at least an exterior-only inspection that meets Freddie Mac's requirements ▪ Loans submitted to Loan Prospector will be assessed by selecting the option "Newly Built." ▪ All improvements must be fully completed before the sale to Freddie Mac, except for mortgages secured by site-built homes meeting the requirements in Guide Section 44.2(b) and unless escrows are established in accordance with the requirements of Section 44.2(b).
Collateral Assessment	<ul style="list-style-type: none"> ▪ An appraisal update is required within 120 days prior to the effective date of the permanent financing (which is the note date for Newly Built Home Mortgages). If the property value has declined, the Newly Built Home Mortgage must be resubmitted to Loan Prospector or re underwritten (if manually underwritten). ▪ Seller must obtain a written appraisal report with an interior and exterior inspection that meets the requirements of Guide Chapter 44. Loan Prospector's Condition and Marketability Report and Property Inspection Alternative (PIA) may not be used to evidence if the property is acceptable for the transaction. ▪ Appraisal report must state the estimated market value of the property after completion of the construction, and if applicable, be supported by an acceptable completion certificate. (See Form 442, <i>Appraisal Update and/or Completion Report</i>, for suggested format.)
Seasoned Mortgages	<ul style="list-style-type: none"> ▪ Newly Built Home Mortgages are Seasoned Mortgages for Newly Constructed Homes if the effective date of permanent financing is more than 12 months prior to the settlement/delivery date. (For mortgages with application dates on or after June 13, 2010) ▪ Seasoned Mortgages for Newly Constructed Homes are eligible for sale only under negotiated sales contracts through the bulk sales path.
DELIVERY REQUIREMENTS	
Eligible Executions	<ul style="list-style-type: none"> ▪ Servicing-released cash* ▪ Servicing-retained cash ▪ Fixed-rate Guarantor ▪ WAC ARM Guarantor ▪ MultiLender Swap** <p>*See our selling system availability matrix for a list of specific mortgages eligible for sale through cash under mandatory contracts servicing-released, and best efforts contracts servicing-released or servicing-retained.</p> <p>**Mortgages for Newly Constructed Homes, with a settlement date more than 12 months after the effective date of permanent financing are not eligible for sale under MultiLender Swap.</p>
Delivery Requirements	<p>The following special data must be delivered on Form 11 or 13SF as applicable: see Guide Section 17.38.1:</p> <ul style="list-style-type: none"> ▪ Date of Note: the note date of the mortgage ▪ Special Characteristic Code (SCCs): <ul style="list-style-type: none"> □ D49 = Newly Built Home Mortgages - Site-built □ D50 = Newly Built Home Mortgages - Manufactured Home □ D53 = Seasoned Mortgages for Newly Constructed Homes (bulk transactions only)
Delivery Fees	See Guide Exhibit 19 at www.FreddieMac.com/singlefamily/pdf/ex19.pdf for details on applicable delivery fees.

Learn more about Newly Built Home Mortgages:

- Refer to Chapter K33 and Section 17.38.1 of your *Single-Family Seller/Servicer Guide*
- Call (800) FREDDIE