



No Cash-out Refinance Mortgage

Retain your borrowers with more refinance options

This mortgage can lower a borrower's monthly P&I payment. In addition, all related closing costs, financing costs, and prepaids/escrows can be rolled into the new loan amount. Borrowers can receive cash back in an amount up to \$2,000 or 2% of the refinance mortgage, whichever is less. Borrowers can also use this mortgage to pay off junior liens secured by the mortgaged premises used in their entirety to acquire the subject property.

> Borrower Profile

- Borrowers seeking to lower their interest rate and monthly payment

> Key Features

- Up to 95% LTV
- No seasoning requirement
- 1- to 4-unit primary residences, second homes, and 1- to 4-unit investment properties

> Borrower Benefits

- Lower rates and payments
- Higher-rate seconds consolidated into one, lower-rate loan
- Upfront costs eliminated by rolling all related closing costs, financing costs, and prepaid items into the new loan amount
- Mortgage insurance eliminated when the new appraisal or inspection report supports a higher value to calculate the new LTV ratio

ORIGINATION & UNDERWRITING REQUIREMENTS	
Eligible Property Types	<ul style="list-style-type: none"> ▪ 1- to 4-unit primary residence, including condos, PUDs and manufactured homes ▪ 1- to 4-unit investment property ▪ Second home
Eligible Mortgages	<ul style="list-style-type: none"> ▪ 15-, 20-, 30- and 40-year fixed-rate mortgages ▪ 5- and 7-year balloon/reset mortgages ▪ Most standard ARMs ▪ No seasoning requirement
Maximum LTV for New Mortgage	<p>For mortgages other than 40-year fixed-rate mortgages:</p> <ul style="list-style-type: none"> ▪ 1- to 2-unit primary residence or second home: <ul style="list-style-type: none"> Max. LTV without secondary financing: 95% Max. LTV with secondary financing: 90% Max. TLTV with secondary financing: 95% Max. HTLTV: 95% ▪ 1- to 2-unit investment property: <ul style="list-style-type: none"> Max. LTV without secondary financing: 85% Max. LTV with secondary financing: 80% Max. TLTV with secondary financing: 85% Max. HTLTV: 90% ▪ 3- to 4-unit primary residence: <ul style="list-style-type: none"> Max. LTV without secondary financing: 80% Max. LTV with secondary financing: 75% Max. TLTV with secondary financing: 80% Max. HTLTV: 85% ▪ 3- to 4-unit investment property: <ul style="list-style-type: none"> Max. LTV without secondary financing: 75% Max. LTV with secondary financing: 70% Max. TLTV with secondary financing: 75% Max. HTLTV: 80% <p>For 40-year fixed-rate mortgages, maximum LTV ratios must comply with <i>Single-Family Seller/Service Guide (Guide)</i>, Section 23.4 for Loan Prospector[®] and manually underwritten mortgages.</p>
Borrower Eligibility Requirements	<ul style="list-style-type: none"> ▪ Loan Prospector Accept ▪ For manually underwritten No Cash-out Refinance Mortgages, the Seller must make the determination regarding borrower creditworthiness in accordance with the requirements of the Guide Chapter 37.
Closing Costs, Financing Costs & Prepays/Escrows	All closing costs, financing costs, and prepays can be rolled into the new loan amount.
Cash Back to Borrower	\$2,000 or 2% of the refinance mortgage amount, whichever is less
Special Underwriting Requirements	<ul style="list-style-type: none"> ▪ New loan application required. ▪ A borrower may be added or removed from the mortgage. ▪ Mortgage payment history and minimum income documentation in accordance with Loan Prospector credit risk/documentation class or Guide requirements. ▪ No asset documentation required. Seller must verify reserves if they are entered in Loan Prospector. ▪ Effective for mortgages with Freddie Mac settlement dates on or after August 1, 2008, when a Seller originates a cash-out refinance mortgage, the Seller holds that mortgage for less than six months, and that mortgage is refinanced with a no cash-out refinance mortgage, the refinance mortgage is ineligible for sale as a no cash-out refinance mortgage. The mortgage must be sold to Freddie Mac as a cash-out refinance mortgage.
Subordinate Liens	<ul style="list-style-type: none"> ▪ Can be paid off from the proceeds of the new loan if used in its entirety to acquire the subject property, or must be subordinated or paid off from borrower funds. ▪ When a junior lien is paid off as part of the no cash-out transaction, you must maintain documentation in the mortgage file demonstrating that the full amount of the lien was used for the purchase of the subject property.
Collateral Assessment	An appraisal or inspection that meets the requirements of Guide Chapter 44 is required in compliance with Loan Prospector's minimum assessment feedback. The transaction may also be eligible for the Property Inspection Alternative (PIA). For Non-Loan Prospector loans, an appraisal with an interior and exterior inspection is required.
DELIVERY REQUIREMENTS	
Eligible Executions	<ul style="list-style-type: none"> ▪ Servicing-retained Cash* ▪ WAC ARM 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>
Delivery Requirements	SCC: 007
Delivery Fees	Postsettlement delivery fees may apply, depending on attributes such as the property type and LTV ratio. See Guide Exhibit 19 for details, or access Guide Exhibit 19 online at http://www.FreddieMac.com/singlefamily/pdf/ex19.pdf .

Learn more about Freddie Mac No Cash-out Refinance Mortgages:

- Refer to Chapter 24 of the *Single-Family Seller/Servicer Guide*
- Call (800) FREDDIE
- Visit www.FreddieMac.com