



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
- Up front costs eliminated by rolling all related closing costs, financing costs, and prepaid items into the new loan amount

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-, and 30- year fixed-rate mortgages ▪ 5- and 7-year balloon/reset mortgages ▪ Most standard ARMs ▪ No seasoning requirement ▪ Super conforming mortgages. See Guide Chapter L33 for requirements.
Maximum LTV for New Mortgage	<p>Must meet maximum LTV/TLTV/HTLTV ratio requirements in Guide Chapter 23.4.1, including:</p> <ul style="list-style-type: none"> ▪ 1-unit primary residence: <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% ▪ 2- 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: 80% ▪ Second home: <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: 85% ▪ 1-unit investment property (purchase transaction): <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: 85% ▪ 1-unit investment property (no cash-out): <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: 75% ▪ 2- 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: 75% <p>No cash-out refinance of mortgages owned or securitized by Freddie Mac:</p> <ul style="list-style-type: none"> ▪ 1-to 2-unit primary residence: <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% 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: 80% 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 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: 75% <p>Freddie Mac-owned no cash-out refinance mortgages secured by a second home or 2-unit property when the new mortgage is not paying off subordinate financing may be eligible for higher LTV/TLTV/HTLTV ratios provided the requirements in Guide Chapter 24.5 are met, as applicable. Eligible mortgages must use Special Characteristic Code D99 for delivery to Freddie Mac.</p> <p>See Guide Chapter L33.3 for maximum LTV/TLTV/HTLTV requirements for super conforming mortgages.</p>
Borrower Eligibility Requirements	<ul style="list-style-type: none"> ▪ Loan Prospector[®] (Accept, A-minus Mortgages), or manually underwritten mortgages. ▪ The Seller must make the determination regarding borrower creditworthiness in accordance with the requirements of Guide Chapter 37.

ORIGINATION & UNDERWRITING REQUIREMENTS	
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. ▪ When a Seller originates a cash-out refinance mortgage, and the mortgage is refinanced as a no cash-out refinance mortgage, the refinance mortgage is ineligible for sale to Freddie Mac. ▪ A maximum Indicator Score of 620 unless otherwise specified in the Guide. (Loan Prospector A-minus Mortgages exempt). ▪ All mortgages must meet the risk class and/or minimum Indicator Score requirements in Guide Exhibit 25A, where applicable. ▪ A maximum debt-to-income ratio of 45 percent for manually underwritten mortgages except for Streamlined Refinance Mortgages.
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	<ul style="list-style-type: none"> ▪ An appraisal or inspection that meets the requirements of Guide Chapter 44 is required in compliance with Loan Prospector's minimum assessment feedback. ▪ For Non-Loan Prospector mortgages, 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	<ul style="list-style-type: none"> ▪ SCC: 007 ▪ SCC: D99 for delivering Freddie Mac-owned no cash-out mortgages secured by second homes and 2-unit properties with higher eligible LTV/TLTV/HTLTV ratios. ▪ Refinance mortgages must be documented with a new note and security instrument or with a new note date and a modification of the existing security instrument. If there is no new security instrument, the refinance mortgage must be delivered to Freddie Mac as a Seller-owned Modified Mortgage. ▪ 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	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 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