



Key Features:

- Up to 95% LTV
- No seasoning requirement
- New mortgage may include amounts used to pay off junior liens secured by the mortgaged premises that were used in their entirety to acquire the subject property
- 1- to 4-unit primary residences, second homes and 1- to 4-unit investment properties
- Roll all related closing costs, financing costs and prepaid items into the new loan amount
- Disburse cash to the borrower up to \$2,000 or 2% of the refinance mortgage amount, whichever is less

Looking for Other Refinance Mortgage Options?

Visit FreddieMac.com for more information on:

- Streamlined Refinance Mortgages and Freddie Mac-owned Streamlined Refinance Mortgage
- Cash-out Refinance Mortgages

No Cash-out Refinance Mortgage

Retain Your Borrowers With More Refinance Options

Many borrowers continually look for the opportunity to lower their monthly payment and consolidate higher-rate seconds into one, lower-rate loan. Freddie Mac's No Cash-out Refinance Mortgage lets you offer existing customers and new borrowers more refinance options to meet their individual needs.

A No Cash-out Refinance Mortgage can lower a borrower's monthly P&I payment, and 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 two percent of the refinance mortgage, whichever is less. Borrowers can also use a No Cash-out Refinance Mortgage to pay off junior liens secured by the mortgaged premises used in their entirety to acquire the subject property. You'll need to maintain documentation in the mortgage file demonstrating that the full amount of the lien was used for the purchase of the subject property.

There's no seasoning requirement for the mortgage being refinanced. Plus, when you use Loan Prospector[®] automated underwriting technology to assess No Cash-out Refinance Mortgages, you'll streamline your process with less documentation.

Lender Benefits

No Cash-out Refinance Mortgages help you:

- Retain your current customer base and increase your origination volume with options to meet the needs of more borrowers.
- Improve efficiencies using Loan Prospector technology.
- Leverage the combination of No Cash-out Refinance Mortgages with many Freddie Mac mortgage products to offer a variety of options for the new mortgage.

Borrower Benefits

For your borrowers, No Cash-out Refinance Mortgages:

- Lower their rate and payment.
- Consolidate higher-rate seconds into one, lower-rate loan.
- Eliminate upfront costs by rolling all related closing costs, financing costs and prepaid items into the new loan amount.
- Eliminate mortgage insurance when the new appraisal or inspection report supports a higher value to calculate the new LTV ratio.

See reverse for underwriting, execution and other details.

Eligible Property Types

- 1- to 4-unit primary residence, including condos, PUDs and manufactured homes
- 1- to 4-unit investment property
- Second home

Eligible Mortgages

- 15-, 20-, 30- and 40-year* fixed-rate mortgages
- 5- and 7-year balloon/reset mortgages
- Most standard ARMs
- No seasoning requirement

*40-year fixed-rate mortgages are eligible for assessment in Loan Prospector, and commitment and delivery through the selling system, beginning September 1, 2006.

Maximum LTV for New Mortgage

- For mortgages other than 40-year fixed-rate mortgages

1- to 2-unit primary residence or second home:

- ⇒ Max. LTV without secondary financing: 95%
- ⇒ Max. LTV with secondary financing: 90%
- ⇒ Max. TLTV with secondary financing: 95%
- ⇒ Max. HTLTV: 100%

1- to 2-unit investment property:

- ⇒ Max. LTV without secondary financing: 90%
- ⇒ Max. LTV with secondary financing: 85%
- ⇒ Max. TLTV with secondary financing: 90%
- ⇒ Max. HTLTV: 95%

3- to 4-unit primary residence:

- ⇒ 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:

- ⇒ Max. LTV without secondary financing: 75%
- ⇒ Max. LTV with secondary financing: 70%
- ⇒ Max. TLTV with secondary financing: 75%
- ⇒ Max. HTLTV: 80%

- For 40-year fixed-rate mortgages, maximum LTV ratios must comply with *Single-Family Seller/Service Guide* (Guide), Section 23.4 for Loan Prospector® and manually underwritten mortgages.

Borrower Eligibility Requirements

- 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 & Prepaids/Escrows

All closing costs, financing costs and prepaids 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

- 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.

Subordinate Liens

- 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.

Eligible Executions

- Servicing-retained Cash
- WAC ARM Cash
- Fixed-rate Guarantor
- WAC ARM Guarantor
- MultiLender Swap
- 40-year fixed-rate mortgages may be sold under Fixed-rate Guarantor and cash executions through the selling system only, beginning September 1, 2006.

Delivery Requirements

- SCC: 007

Delivery Fees

Postsettlement delivery fees may apply, depending on 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:

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

The information in this document is not a replacement or substitute for information found in the *Single-Family Seller/Servicer Guide* and/or the terms of your Master Agreement and/or Master Commitment.