



## Relief Refinance Mortgages – Open Access

### **An expanded LTV/TLTV/HTLTV refinance solution for all Freddie Mac Sellers**

The Freddie Mac Relief Refinance Mortgage<sup>SM</sup> – Open Access supports the federal Making Home Affordable Program by helping borrowers who are making timely mortgage payments but have been unable to refinance due to declining home values. With this offering, you can refinance more borrowers, even if you're not currently servicing the mortgage.

With flexibility that allows LTV ratios up to 125 percent, relief from standard mortgage insurance requirements, and the ability to submit through Loan Prospector<sup>®</sup>, you can refinance more borrowers into mortgages that better position them for a successful long-term homeownership experience.

#### **> Borrower Profile**

- For borrowers who have experienced declining property values
- Borrowers must be current on their mortgage payments
- Payment history cannot have any 30 day or more late payments in the most recent 12 months

#### **> Key Features**

- May be originated by any Freddie Mac-approved Seller/Servicer
- Maximum LTV ratio up to 125 percent
- No maximum TLTV/HTLTV ratios
- Relief from standard mortgage insurance requirements
- Must be submitted to Loan Prospector

MORTGAGE BEING REFINANCED ELIGIBILITY REQUIREMENTS	
<b>General Eligibility Requirements</b>	<ul style="list-style-type: none"> <li>• The mortgage being refinanced must:               <ul style="list-style-type: none"> <li>○ Be a first-lien, conventional mortgage currently owned or securitized by Freddie Mac.</li> <li>○ Have a Freddie Mac settlement date on or before May 31, 2009.</li> <li>○ Be seasoned for at least three months.</li> </ul> </li> <li>• Seller or an affiliate of the Seller originating the new mortgage may or may not be the Servicer of the mortgage being refinanced.</li> <li>• If the mortgage being refinanced was sold to Freddie Mac with mortgage insurance, it is eligible for refinancing. See Guide Chapter B24 (h) for requirements.</li> <li>• If the mortgage being refinanced was sold to Freddie Mac with recourse and indemnification, pool insurance or other credit enhancements defined in Guide Chapter B24, it is ineligible to be refinanced as a Relief Refinance Mortgage – Open Access.</li> </ul>
<b>Mortgage Payment History</b>	<ul style="list-style-type: none"> <li>• No 30 day or more delinquencies in the past 12 months.</li> <li>• If mortgage is less than 12 months old, then no 30 day or more delinquencies since the note date.</li> </ul>
<b>Effective Dates</b>	<ul style="list-style-type: none"> <li>• The mortgage being refinanced must have a Freddie Mac settlement date on or before May 31, 2009</li> </ul>
RELIEF REFINANCE MORTGAGE – OPEN ACCESS ELIGIBILITY REQUIREMENTS	
<b>Borrower Benefit</b>	<p>The Relief Refinance Mortgage must result in at least <b>one</b> of the following:</p> <ul style="list-style-type: none"> <li>• Reduction in the interest rate of the first-lien mortgage.</li> <li>• Replacement of an ARM, Initial Interest<sup>®</sup> Mortgage (or any mortgage with an interest-only period) or a balloon/reset mortgage with a fixed-rate, fully amortizing mortgage.</li> <li>• Reduction in the amortization term of the first-lien mortgage.</li> </ul>
<b>Eligible Mortgage Products</b>	<p>Relief Refinance Mortgages – Open Access may be:</p> <ul style="list-style-type: none"> <li>• Conventional 15-, 20- or 30-year fixed-rate, fully amortizing mortgages.</li> <li>• Conventional nonconvertible 5/1, 7/1 or 10/1 fully amortizing adjustable-rate mortgages (ARMs) provided the LTV ratio does not exceed 105 percent.</li> </ul> <p>Notes:</p> <ul style="list-style-type: none"> <li>• The Relief Refinance Mortgage – Open Access may be a super conforming mortgage.</li> <li>• If the mortgage being refinanced is a fixed-rate mortgage, the new Relief Refinance Mortgage – Open Access may not be an ARM.</li> </ul>
<b>Occupancy</b>	<ul style="list-style-type: none"> <li>• 1- to 4-unit primary residences.</li> <li>• 1-unit second homes.</li> <li>• 1- to 4-unit investment properties.</li> </ul>
<b>Refinance Proceeds</b>	<ul style="list-style-type: none"> <li>• The proceeds of the Relief Refinance Mortgage – Open Access must be used only to:               <ul style="list-style-type: none"> <li>○ Pay off the first mortgage (amount includes the unpaid principal balance and accrued interest through the payoff date). The payoff amount can be rounded up to the nearest thousand.</li> <li>○ Pay the lesser of 4 percent of the current unpaid principal balance of the mortgage being refinanced or \$5,000 in related closing costs, financing costs and prepaids/escrows.</li> </ul> </li> <li>• Funds available as a result of the rounding must be:               <ul style="list-style-type: none"> <li>○ Applied as a principal curtailment to the refinance mortgage and/or</li> <li>○ Disbursed as cash to the borrower not to exceed \$250.</li> </ul> </li> <li>• The proceeds may not be used to pay off or pay down any secondary financing.</li> </ul>
<b>Maximum LTV/TLTV/HTLTV</b>	<ul style="list-style-type: none"> <li>• The maximum LTV ratio must not exceed 125 percent.</li> <li>• There is no maximum TLTV or HTLTV ratio.</li> </ul>
<b>Mortgage Insurance</b>	<p>For an LTV ratio greater than 80 percent:</p> <ul style="list-style-type: none"> <li>• If the mortgage being refinanced has mortgage insurance coverage, then the same mortgage insurance coverage percentage must be maintained for the Relief Refinance Mortgage – Open Access.</li> <li>• If the mortgage being refinanced does not have mortgage insurance, then no mortgage insurance coverage is required for the Relief Refinance Mortgage – Open Access.</li> <li>• Refer to Guide Chapter B24.4 for special delivery requirements related to mortgage insurance for Relief Refinance Mortgages – Open Access.</li> </ul>
<b>Underwriting Requirements</b>	<ul style="list-style-type: none"> <li>• Must be fully underwritten and submitted to Loan Prospector.</li> <li>• Relief Refinance Mortgages – Open Access with a risk class of Caution and no A-minus eligible purchase eligibility message must be manually underwritten in accordance with Guide Chapters 37 and B24.</li> <li>• Noncredit payment references are prohibited and may not be used to establish an acceptable credit reputation.</li> </ul>
<b>Collateral Assessment</b>	<ul style="list-style-type: none"> <li>• A full interior/exterior appraisal that meets the requirements of Guide Chapter 44 is required.</li> <li>• Sellers are required to provide certain representation and warranties related to the appraisal, including representations and warranties on the value, condition and marketability of the property secured by the Relief Refinance Mortgage.</li> <li>• For super conforming Relief Refinance Mortgage – Open Access, the special appraisal and collateral documentation requirements in Guide Chapter L 33.6 apply.</li> <li>• Use of Home Value Explorer<sup>®</sup> is not permitted.</li> </ul>
<b>Secondary Financing</b>	<ul style="list-style-type: none"> <li>• Must be subordinate to the Relief Refinance Mortgage – Open Access and must meet the requirements for secondary financing in Guide Chapter 25.</li> <li>• An increase in the current unpaid principal amount of any junior lien is not permitted and no new secondary financing is permitted.</li> </ul>

<b>Secondary Financing, contd.</b>	<ul style="list-style-type: none"> <li>An existing junior lien that is serviced by the Seller of the new Relief Refinance Mortgage – Open Access, may be refinanced simultaneously with the first-lien mortgage being refinanced only if the junior lien is being refinanced for one of the following purposes: <ul style="list-style-type: none"> <li>A reduction in the interest rate of the junior lien.</li> <li>To replace an ARM, an interest-only junior lien, or a junior lien with a balloon or call option with a fixed-rate, fully amortizing junior lien.</li> <li>A reduction in the amortization term of the junior lien.</li> </ul> </li> <li>The unpaid principal balance of the new junior lien cannot be more than the unpaid principal balance, at the time of payoff, of the junior lien being refinanced.</li> <li>If the junior lien being refinanced is a fixed-rate junior lien, the new junior lien cannot be an ARM.</li> </ul>
<b>Delivery Requirements</b>	<ul style="list-style-type: none"> <li>Must be sold through the selling system</li> <li>Must be delivered to Freddie Mac no more than 120 days after the note date.</li> <li>The Seller must deliver all applicable Special Characteristic Codes (SCCs), including: <ul style="list-style-type: none"> <li>SCC 007 - "no cash-out" refinance mortgage</li> <li>SCC H08 - Relief Refinance Mortgages – Open Access.</li> </ul> </li> <li>If mortgage insurance is being transferred from the mortgage being refinanced, Sellers must enter the existing mortgage insurance certificate or, if applicable, the replacement certificate number and existing percentage of coverage for the mortgage being refinanced for the Relief Refinance Mortgage – Open Access</li> <li>For Relief Refinance Mortgages – Open Access with LTV ratios greater than 80 percent, the Seller should complete the MI Code field on Form 11 or 13SF if the mortgage has mortgage insurance coverage. The Seller must deliver the MI code that identifies the Freddie Mac-approved mortgage insurance that is insuring the mortgage in the MI Code field, as well as completing the other mortgage insurance-related fields.</li> <li>Seller must deliver the Freddie Mac loan number of the existing mortgage with the new refinance mortgage.</li> </ul>
<b>Delivery Fees</b>	<ul style="list-style-type: none"> <li>Postsettlement delivery fees from Exhibit 19 apply.</li> <li>The total of all delivery fees is capped at 200 basis points.</li> <li>A reduced term incentive of 50 basis points, effectively lowering the delivery fee cap to 150 basis points, is applied for fixed-rate Relief Refinance Mortgages having LTV ratios greater than 105 percent and less than or equal to 125 percent if: <ul style="list-style-type: none"> <li>The term of the mortgage being refinanced was 30 years or greater.</li> <li>The term of the Relief Refinance Mortgage is greater than 15 years and less than or equal to 25 years.</li> </ul> </li> </ul>
<b>Eligible Executions</b>	<ul style="list-style-type: none"> <li>All Relief Refinance Mortgages – Open Access may be sold to Freddie Mac through the following executions: <ul style="list-style-type: none"> <li>Fixed-rate Cash</li> <li>Fixed-rate Guarantor</li> </ul> </li> <li>Relief Refinance Mortgages with LTV ratios less than or equal to 105 percent may also be sold to Freddie Mac through the following executions: <ul style="list-style-type: none"> <li>WAC ARM Cash</li> <li>WAC ARM Guarantor</li> <li>MultiLender Swap</li> </ul> </li> <li>Relief Refinance Mortgages – Open Access with LTV ratios less than or equal to 105 percent may be sold to Freddie Mac through the selling system servicing-released sales process.</li> <li>Fixed-rate cash contracts for Relief Refinance Mortgages with LTV ratios greater than 105 percent and less than or equal to 125 percent may only include Relief Refinance Mortgages at these higher LTV ratios. <ul style="list-style-type: none"> <li>To identify these fixed-rate cash contracts, enter "Over105" with no space in the "Contract" name field on the "Take Out a Cash Contract" screen in the selling system.</li> <li>A cash adjustor applies to all Relief Refinance Mortgages with LTV ratios greater than 105 percent that are sold to Freddie Mac for cash. This cash adjustor amount will change from time to time at Freddie Mac's discretion; the cash adjustor applicable to a particular mortgage will be determined as of the commitment date and will be reflected in the cash pricing shown in the selling system once the Seller allocates mortgages to the contract.</li> </ul> </li> </ul>
<b>Securities and Pooling Requirements</b>	<ul style="list-style-type: none"> <li>All current pooling requirements apply including the specific requirements for super conforming mortgages.</li> <li>Fixed-rate and adjustable-rate Relief Refinance Mortgages with LTV ratios less than or equal to 105 percent may be pooled with other mortgages without additional pooling requirements.</li> <li>Fixed-rate Relief Refinance Mortgages with LTV ratios greater than 105 percent must be pooled separately in PC pools comprised entirely of Relief Refinance Mortgages with LTV ratios greater than 105 percent. These PC pools are not eligible for sale in the TBA market.</li> </ul>
<b>Effective Dates</b>	<ul style="list-style-type: none"> <li>Relief Refinance Mortgages – Open Access must: <ul style="list-style-type: none"> <li>Be submitted to Loan Prospector on or after October 1, 2009.</li> <li>Have a note date before June 10, 2010.</li> <li>Have a Freddie Mac settlement date on or after October 1, 2009.</li> <li>Be delivered not more than 120 days after the note date.</li> </ul> </li> </ul>
<b>Other</b>	<ul style="list-style-type: none"> <li>For complete Relief Refinance Mortgage – Open Access requirements see Guide Chapter B24.</li> </ul>

**Learn more about Relief Refinance Mortgages – Open Access:**

- Call 800-FREDDIE
- Visit FreddieMac.com