

Exhibit A – Streamlined Purchase for Homeowners

Effective February 28, 2009, the provisions in this Exhibit A will be deleted. For Sellers with Master Agreements dated prior to February 21, 2008, Freddie Mac will purchase streamlined purchase for homeowners Mortgages that comply with the terms of this Exhibit, which includes the provisions of Guide Section 17.23 and Guide Chapter A33, and related provisions in effect on February 21, 2008 until the earlier of (i) the expiration of their Master Agreements or (ii) February 28, 2009.

The other Guide sections that described products, offerings and underwriting requirements for which streamlined purchase for homeowners Mortgages are eligible or ineligible are not included in this Exhibit A, but remain effective with respect to streamlined purchase for homeowners Mortgages until February 28, 2009.

See Section A33.1(c) for information regarding postsettlement delivery fees (delivery fees) for streamlined purchase for homeowners Mortgages.

Chapter 17: Mortgage Delivery and Settlement Processing

17.23: Special requirements for streamlined purchase Mortgages (09/01/06)

(a) General requirements

See Chapter A33 for special eligibility requirements for streamlined purchase for homeowners (streamlined purchase Mortgages).

See Exhibit 17, Offer Product and Offer Program Numbers, for applicable offer product numbers for Mortgages sold through MIDANET[®]. There are no special coding requirements for streamlined purchase Mortgages when sold through the Selling System.

(b) Special Form 11, Mortgage Submission Schedule, and Form 13SF, Mortgage Submission Voucher, instructions

In connection with the delivery of each streamlined purchase Mortgage, the Seller must deliver all the Mortgage data required by Form 11 or Form 13SF, as applicable. The Seller must complete certain fields of the Form 11 or Form 13SF as follows:

Field Title	Completion Instructions
Offering Code for: <ul style="list-style-type: none">• Offering 400 streamlined purchase Mortgages• Offering 401 streamlined purchase Mortgages	400 401
Monthly Income	Insert the monthly amount of Stated Income

(c) Eligibility

40-year fixed-rate streamlined purchase Mortgages may be sold under the following:

- Fixed-rate Cash
- Fixed-rate Guarantor through the Selling System

All other streamlined purchase Mortgages may be sold under the following:

- Cash
- Guarantor
- MultiLender Swap

(d) Pooling requirements for Gold PCs[®] and Giant PCs

There are no special pooling requirements for streamlined purchase Mortgages. Refer to Chapter 13 for general pooling requirements for fixed-rate and Balloon/Reset Mortgages under the fixed-rate Guarantor or MultiLender Swap programs.

(e) Pooling requirements for WAC ARM PCs

There are no special pooling requirements for streamlined purchase Mortgages.

Refer to Chapter A13 for general pooling requirements for adjustable-rate Mortgages (ARMs) under the WAC ARM Guarantor program.

Chapter A33: Streamlined Purchase for Homeowners

A33.1: Overview (12/15/06)

Freddie Mac will purchase streamlined purchase for homeowners Mortgages (streamlined purchase Mortgages) under the terms of the Purchase Documents and this chapter.

Streamlined purchase Mortgages help the Seller/Servicer preserve its existing first Mortgage Servicing portfolios against run-off by providing an expedited approval process for new purchase transactions that replace existing financing.

There are two offerings, 400 and 401, distinguished primarily by Borrower eligibility, documentation requirements and fees. The Seller must use the eligibility requirements below for both the existing and new Mortgage to determine if a Mortgage qualifies as a streamlined purchase Mortgage under offering 400 or offering 401.

(a) Special eligibility requirements for the existing Mortgage(s):

For both offering 400 and 401, the Seller must determine that the Borrower's existing and prior Mortgage(s), if applicable, meet the following requirements:

- Were serviced as a first-lien Mortgage by the Seller during the prior 12 months
- Were secured by a 1-unit Primary Residence or second home
- Secured the same property with the same Borrower(s) as the new Mortgage
- Have combined total seasoning of 12 months
- Have a 12-month, consecutive payment history with no delinquencies of 30 days or more
- Have not been subject to any workout, foreclosure or loss mitigation activities

In addition to determining eligibility based on the Borrower's existing and prior Mortgage(s), the new Mortgage must meet the requirements applicable to all streamlined purchase Mortgages in Section A33.1(b), and as applicable, the requirements for offering 400 in Section A33.2 and offering 401 in Section A33.3.

(b) General requirements for all new streamlined purchase Mortgages

The Borrowers on the streamlined purchase Mortgage and on the existing and prior Mortgage(s) must be the same.

Each streamlined purchase Mortgage must be secured by a 1-unit Primary Residence financed with one of the following:

- A fixed-rate Mortgage that is not an Initial InterestSM Mortgage or a Home Possible[®] Mortgage
- An adjustable-rate Mortgage (ARM) that is not an Initial Interest Mortgage or a Home Possible Mortgage
- A 7-year Balloon/Reset Mortgage

The following requirements also apply:

1. Indicator Score

The Seller must identify an Indicator Score for the Mortgage in accordance with Section 37.5. The Credit Scores used to identify the Indicator Score, once obtained, are usable for 180 days.

2. Documentation requirements

The Mortgage file must contain:

- Evidence of the sale of the current Primary Residence prior to the Note Date, either by a HUD-1 form or equivalent document
- The Seller's loan number(s) of the existing and prior Mortgage(s) used in determining eligibility described in Section A33.1(a)
- A hard copy of the credit report or Servicing system printout, obtained subsequent to the Borrower's application and prior to the Note Date, which demonstrates continuing compliance with the payment history requirement

In addition to the requirements in Section 46.1, if Freddie Mac selects a streamlined purchase Mortgage for postfunding review, the Seller must provide the Mortgage file(s) from the new, existing and prior Mortgage(s).

(c) Postsettlement delivery fees (delivery fees) for streamlined purchase Mortgages

A special delivery fee of .375% will be assessed and billed to the Seller in conjunction with the sale of streamlined purchase Mortgages originated under Offering 400; there is no special delivery fee assessed and billed in conjunction with the sale of streamlined purchase Mortgages originated under Offering 401. The Seller must refer to Exhibit 19, Postsettlement Delivery Fees, for information on other delivery fees. Delivery fees are paid in accordance with the delivery fee provisions outlined in Section 17.2.

A33.2: Offering 400 (01/01/06)

In addition to the special eligibility and general requirements of Section A33.1, streamlined purchase Mortgages under offering 400 must meet all the following specific requirements.

(a) Maximum new Mortgage amount

The maximum Mortgage amount may be up to 1.5 times the original unpaid principal balance (UPB) of the Borrower's existing Mortgage.

(b) Special underwriting provisions

1. **Minimum Indicator Score:** The Indicator Score must be equal to or greater than 740
2. **Maximum loan-to-value (LTV) and total loan-to-value (TLTV) ratios:** The LTV ratio must not exceed 80%. The TLTV ratio must not exceed 90%. If the subordinate financing is a Home Equity Line of Credit (HELOC), the HELOC TLTV (HTLTV) ratio (as defined in Section 23.2) must not exceed 100%.
3. **Qualifying ratios:** The Seller is not required to calculate the housing expense-to-income ratio or the debt payment-to-income ratio
4. **Documentation requirements:** The Seller must obtain a newly completed Form 65, Uniform Residential Loan Application, dated within 180 days of obtaining Borrower Credit Scores

The Seller is not required to include the following information on Form 65:

- Source of down payment, Closing and Financing Costs, and Prepays/Escrows
- Asset information, including reserves
- Liabilities information
- Addresses and information about other owned property

The Seller is not required to verify the Borrower's income, employment or source of funds to close. However, using the information provided on the Form 65, the Seller must confirm for:

- Salaried Borrowers, a minimum of two years of continuous employment with the same employer or in the same line of work
- Self-employed Borrowers, self-employment for at least two years
- Borrowers with non-employed income, receipt of income from the sources listed for a minimum of two years

For all Mortgages, the Seller must either:

- Have the Borrower sign the Internal Revenue Service (IRS) Form 8821 or 4506 (or an alternate form acceptable to the IRS that authorizes the release of comparable information) at application and have the Borrower sign another Form 8821 or 4506 on the Note Date to be used in the postfunding quality control process, or
- Have the Borrower sign the IRS Form 8821 or 4506 (or alternate form acceptable to the IRS that authorizes the release of comparable information) at application and send the form to the IRS during the processing of the Mortgage. (The Seller does not have to receive the information back from the IRS before the Note Date.)

5. **Appraisal requirements:** The Seller must obtain an appraisal report that meets the requirements of Chapter 44. Because these loans are not eligible for Loan Prospector[®], an interior and exterior inspection is always required.

A33.3: Offering 401 (04/08/01)

In addition to the special eligibility and general requirements of Section A33.1, streamlined purchase Mortgages under offering 401 must meet all the following specific requirements.

(a) Maximum new Mortgage amount

The Seller will calculate the maximum Mortgage amount using the Borrower's income, however, the Borrower must qualify based on a maximum debt payment-to-income ratio of 50%.

(b) Special underwriting provisions

- 1. Minimum Indicator Score:** The Indicator Score must be equal to or greater than 680.
- 2. Maximum LTV and TLTV ratios:** The maximum LTV ratio must not exceed 90%. The maximum TLTV ratio must not exceed 90%. If the subordinate financing is a Home Equity Line of Credit, the HTLTV ratio (as defined in Section 23.2) must not exceed 100%.
- 3. Documentation requirements:** The Seller must obtain a newly completed Form 65, Uniform Residential Loan Application, dated within 180 days of obtaining Borrower Credit Scores.
- 4. Verifications:** The Seller must verify the Borrower's income, employment and source of funds to close. The following subsections detail the requirements:

- **Income and employment verification for salaried Borrowers**

The Seller must obtain one paystub and a verbal verification of employment that meets the requirements of Section 37.20. The Seller must use gross year-to-date earnings to determine qualifying income for ratio calculation. The earnings may include other than base wages.

- **Income and employment verification for self-employed Borrowers (including commissioned and per job or contract)**

The Seller must obtain the individual Borrower's signed, federal income tax return and all applicable schedules for the most recent year. The Seller must analyze the tax return in compliance with Section 37.13(b). The Borrower must be self-employed for at least two years, as of the date of application. (See Section 37.20 for the requirements relating to IRS Forms 8821 and 4506.)

- **Income verification for Borrower with non-employed income (including fixed income, interest, trust or real estate income, child support or separate maintenance)**

The Seller must obtain the individual Borrower's signed, federal income tax return and all applicable schedules for the most recent year.

The Borrower's tax return must reflect income from the stated source(s) for at least one year. If less than one year, the Seller must perform a review of the Borrower's asset/retirement accounts, or other source documents to verify stability of income. (See Section 37.13.) Non-taxable income should be grossed-up in compliance with Section 37.13(d).

See Section 37.20 for the requirements relating to IRS Forms 8821 and 4506.

Alternative verification documents such as awards letters or bank statements are permitted as evidence of stable monthly income. (See Sections 37.13 and 37.22.)

- **Verification of source of funds**

If the HUD-1 proceeds are insufficient to cover the Borrower's down payment, Closing and Financing Costs, and Prepays/Escrows, the Seller must obtain one month's statement evidencing funds to close in compliance with Sections 26.4 and 26.6. The Borrower must explain any large deposits in the statement.

5. **Appraisal requirements:** The Seller may use any appraisal report allowed for Non-Loan Prospector Mortgages under Chapter 44.