



## Super Conforming Mortgages

### Increase purchasing power in high-cost areas

Freddie Mac's super conforming mortgages are mortgages originated using higher maximum loan limits that are permitted in certain high-cost areas.

These higher loan limits are intended to provide lenders with much-needed liquidity in the highest cost areas of the country, while also lowering mortgage financing costs for borrowers located in these areas.

#### > Borrower Profile

- Borrowers who need affordable mortgage financing to purchase a home in a high-cost area.
- Borrowers in high-cost areas seeking to refinance their super conforming mortgage.

#### > Key Features

- Purchase, no cash-out, and cash-out refinance mortgages.
- 1- to 4-unit primary residences, second homes, and 1- to 4-unit investment properties.
- An array of eligible mortgage products including fixed-rate, adjustable-rate, and Mortgages for Newly Constructed Homes.
- Guarantor, Cash, and MultiLender executions through the selling system.
- Flexible pooling options for fixed-rate super conforming mortgages using Guarantor and MultiLender executions:
  - Form non-TBA Gold and Giant Participation Certificate (PC) pools that comprise up to and including 100 percent of fixed-rate super conforming mortgages.
  - Deliver into TBA pools as long as the unpaid principal balance (UPB) of all fixed-rate super conforming mortgages do not exceed 10 percent of the UPB of all mortgages in the applicable pool and other applicable de minimus requirements are met.

**ORIGINATION & UNDERWRITING REQUIREMENTS**

<b>Eligible Products</b>	<ul style="list-style-type: none"> <li>• 15-, 20-, and 30-year fixed-rate mortgages, fully amortizing</li> <li>• 5/1, 7/1 and 10/1 adjustable-rate mortgages (ARMs), fully amortizing</li> <li>• Mortgages for Newly Constructed Homes                         <ul style="list-style-type: none"> <li>○ Construction Conversion</li> <li>○ Newly-built Home Mortgages</li> <li>○ Renovation Mortgages</li> </ul> </li> </ul>
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<b>Purpose</b>	<ul style="list-style-type: none"> <li>• Purchase</li> <li>• No cash-out refinance</li> <li>• Cash-out refinance</li> </ul>
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<b>Eligible Property Types</b>	<ul style="list-style-type: none"> <li>• 1- to 4-unit primary residences</li> <li>• Second homes</li> <li>• 1- to 4-unit investment properties</li> </ul>
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<b>Loan Limits<sup>1</sup></b>	<p>The following minimum and maximum original loan amounts apply to super conforming mortgages with note dates on or after October 1, 2011, that have Freddie Mac funding or settlement dates on or before December 31, 2012:</p> <table border="1"> <thead> <tr> <th rowspan="2">Units</th> <th colspan="2">Minimum/Maximum Original Loan Amount</th> <th colspan="2">Properties in Alaska, Hawaii, Guam and the U.S. Virgin Islands</th> </tr> <tr> <th>Minimum Loan Amount</th> <th>Maximum Loan Amount<sup>1</sup></th> <th>Minimum Loan Amount</th> <th>Maximum Loan Amount<sup>1</sup></th> </tr> </thead> <tbody> <tr> <td>1</td> <td>&gt;\$417,000</td> <td>\$625,500</td> <td>&gt;\$625,500</td> <td>\$938,250</td> </tr> <tr> <td>2</td> <td>&gt;\$533,850</td> <td>\$800,775</td> <td>&gt;\$800,775</td> <td>\$1,201,150</td> </tr> <tr> <td>3</td> <td>&gt;\$645,300</td> <td>\$967,950</td> <td>&gt;\$967,950</td> <td>\$1,451,925</td> </tr> <tr> <td>4</td> <td>&gt;\$801,950</td> <td>\$1,202,925</td> <td>&gt;\$1,202,925</td> <td>\$1,804,375</td> </tr> </tbody> </table> <p><sup>1</sup>These are the maximum potential loan limits for designated high-cost areas. Actual loan limits are established for each county (or equivalent) and the loan limits for specific high-cost areas may be lower. The original principal balance of a mortgage must not exceed the maximum loan limit for the specific area in which the mortgaged premises is located. For specific loan limits for each high-cost area, as released by the Federal Housing Finance Agency, visit <a href="http://www.fhfa.gov/webfiles/22760/FullCountyLoanLimitList2012_HERA-BASED_FINAL_Z.xls">http://www.fhfa.gov/webfiles/22760/FullCountyLoanLimitList2012_HERA-BASED_FINAL_Z.xls</a></p>	Units	Minimum/Maximum Original Loan Amount		Properties in Alaska, Hawaii, Guam and the U.S. Virgin Islands		Minimum Loan Amount	Maximum Loan Amount <sup>1</sup>	Minimum Loan Amount	Maximum Loan Amount <sup>1</sup>	1	>\$417,000	\$625,500	>\$625,500	\$938,250	2	>\$533,850	\$800,775	>\$800,775	\$1,201,150	3	>\$645,300	\$967,950	>\$967,950	\$1,451,925	4	>\$801,950	\$1,202,925	>\$1,202,925	\$1,804,375
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<b>Maximum LTV/TLTV/ HLTIV Ratios</b>	<p>The maximum LTV/TLTV/HLTIV ratios for super conforming 1-unit mortgages with original loan amounts greater than \$417,000 to \$625,500 and for all 2- to 4-unit properties are as follows:</p> <table border="1"> <thead> <tr> <th colspan="3">PURCHASE TRANSACTION MORTGAGES</th> </tr> <tr> <th>Product</th> <th>Property Type</th> <th>Max. LTV w/o Sec. Fin. / Max. LTV w/Sec. Fin. / Max. TLTV w/Sec. Fin. / Max. HLTIV/ w/Sec. Fin.</th> </tr> </thead> <tbody> <tr> <td rowspan="5">15-, 20- or 30-year fixed-rate and 5/1, 7/1, 10/1 amortizing ARM's</td> <td>1-unit Primary Residence</td> <td>90/85/90/90%</td> </tr> <tr> <td>2- to 4-unit Primary Residence</td> <td>75/70/75/75%</td> </tr> <tr> <td>Second Home</td> <td rowspan="2">80/75/80/80%</td> </tr> <tr> <td>1-unit Investment Property</td> </tr> <tr> <td>2- to 4-unit Investment Property</td> <td>70/65/70/70%</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th colspan="3">"NO CASH-OUT" REFINANCE MORTGAGES</th> </tr> <tr> <th>Product</th> <th>Property Type</th> <th>Max. LTV w/o Sec. Fin. / Max. LTV w/Sec. Fin. / Max. TLTV w/Sec. Fin. / Max. HLTIV/ w/Sec. Fin.</th> </tr> </thead> <tbody> <tr> <td rowspan="5">15-, 20- or 30-year fixed-rate and 5/1, 7/1, 10/1 amortizing ARM's</td> <td>1-unit Primary Residence</td> <td>90/85/90/90%</td> </tr> <tr> <td>2- to 4-unit Primary Residence</td> <td>75/70/75/75%</td> </tr> <tr> <td>Second Home</td> <td>80/75/80/80%</td> </tr> <tr> <td>1-unit Investment Property</td> <td>75/70/75/75%</td> </tr> <tr> <td>2- to 4-unit Investment Property</td> <td>70/65/70/70%</td> </tr> </tbody> </table>	PURCHASE TRANSACTION MORTGAGES			Product	Property Type	Max. LTV w/o Sec. Fin. / Max. LTV w/Sec. Fin. / Max. TLTV w/Sec. Fin. / Max. HLTIV/ w/Sec. Fin.	15-, 20- or 30-year fixed-rate and 5/1, 7/1, 10/1 amortizing ARM's	1-unit Primary Residence	90/85/90/90%	2- to 4-unit Primary Residence	75/70/75/75%	Second Home	80/75/80/80%	1-unit Investment Property	2- to 4-unit Investment Property	70/65/70/70%	"NO CASH-OUT" REFINANCE MORTGAGES			Product	Property Type	Max. LTV w/o Sec. Fin. / Max. LTV w/Sec. Fin. / Max. TLTV w/Sec. Fin. / Max. HLTIV/ w/Sec. Fin.	15-, 20- or 30-year fixed-rate and 5/1, 7/1, 10/1 amortizing ARM's	1-unit Primary Residence	90/85/90/90%	2- to 4-unit Primary Residence	75/70/75/75%	Second Home	80/75/80/80%	1-unit Investment Property	75/70/75/75%	2- to 4-unit Investment Property	70/65/70/70%
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Maximum LTV/TLTV/HTLTV Ratios, (cont.)	<b>"CASH-OUT" REFINANCE MORTGAGES</b>		
	<b>Product</b>	<b>Property Type</b>	<b>Max. LTV w/o Sec. Fin. / Max. LTV w/Sec. Fin. / Max. TLTV w/Sec. Fin. / Max. HTLTV/ w/Sec. Fin.</b>
	15-, 20- or 30-year fixed-rate and 5/1, 7/1, 10/1 amortizing ARMs	1-unit Primary Residence	75/70/75/75%
		2- to 4-unit Primary Residence	65/60/65/65%
Second Home			
1- to 4-unit Investment Property			
The maximum LTV/TLTV/HTLTV ratios for super conforming 1-unit mortgages with original loan amounts greater than \$625,500 are as follows:			
<b>PURCHASE AND "NO CASH-OUT" REFINANCE MORTGAGES</b>			
<b>Product</b>	<b>Property Type</b>	<b>Max. LTV w/o Sec. Fin. / Max. LTV w/Sec. Fin. / Max. TLTV w/Sec. Fin. / Max. HTLTV/ w/Sec. Fin.</b>	
15-, 20- or 30-year fixed-rate and 5/1, 7/1, 10/1 amortizing ARMs	1-unit Primary Residence	80/75/80/80%	
	Second Home	70/65/70/70%	
	1-unit Investment Property		
<b>"CASH-OUT" REFINANCE MORTGAGES</b>			
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15-, 20- or 30-year fixed-rate and 5/1, 7/1, 10/1 amortizing ARMs	1-unit Primary Residence	65/60/65/65%	
	Second Home		
	1-unit Investment Property		
<b>Underwriting Requirements</b>	<ul style="list-style-type: none"> <li>• Loan Prospector assessment required for original loan amounts of \$1 million or less.</li> <li>• The borrower's credit reputation is acceptable if: <ul style="list-style-type: none"> <li>○ The mortgage receives a risk class of Accept</li> <li>○ The mortgage receives a risk class of Caution-eligible for A-minus and all requirements in Chapter C33 for A-minus Mortgages are met</li> </ul> </li> <li>• Mortgages for Newly Constructed Homes per Guide Chapter K33.</li> <li>• If the mortgage receives a risk evaluation of Invalid, Ineligible, or Incomplete, the Seller must take all steps possible in accordance with Guide Section 2.2.1 to correct the information and resubmit the mortgage.</li> <li>• Super conforming mortgages with original loan amounts of \$1 million or less that have never been submitted to Loan Prospector are not eligible for delivery.</li> <li>• Noncredit payment references are prohibited.</li> <li>• Manual underwriting is required for Loan Prospector Caution mortgages and for all mortgages with loan amounts greater than \$1 million. In addition to meeting the requirements in Guide Chapter 37, manually underwritten mortgages must meet the minimum Indicator Score requirements in Guide Chapter L33.</li> </ul>		
<b>Collateral Assessment</b>	<ul style="list-style-type: none"> <li>• The Seller must obtain an appraisal with an interior and exterior inspection that meets Freddie Mac requirements.</li> <li>• A field review is required when the LTV/TLTV/HTLTV ratios are greater than 75 percent and the value of the mortgaged premises is \$1 million or greater.</li> <li>• When the Field Review Report results in a different value, the lowest of the appraised value, field review value, or sale price must be used to calculate the LTV/TLTV/HTLTV ratio, and the lower of the appraised value or field review value must be delivered in the appraised value field on Form 11, <i>Mortgage Submission Schedule</i>, or Form 13SF, <i>Mortgage Submission Voucher</i>.</li> <li>• The appraiser performing the appraisal must be qualified to perform appraisals without oversight or supervision by a "supervisory" or "review" appraiser and must be experienced with the types of properties that are eligible for super conforming financing.</li> <li>• Super conforming mortgages secured by condominium units are not eligible for Streamlined Reviews outlined in Guide Section 42.4.</li> </ul>		
<b>Mortgage Insurance</b>	<ul style="list-style-type: none"> <li>• Standard mortgage insurance is required.</li> <li>• Lender-paid mortgage insurance with single premiums is permitted.</li> </ul>		

<b>Ineligible Products and Features</b>	<ul style="list-style-type: none"> <li>• Balloon/Reset Mortgages</li> <li>• ARMs with initial periods of less than 5 years</li> <li>• Convertible ARMs</li> <li>• Alt 97<sup>®</sup> Mortgages</li> <li>• Mortgages for Newly Constructed Homes with application dates prior to June 13, 2010</li> <li>• Mortgages secured by a Manufactured Home</li> <li>• Home Possible<sup>®</sup> Mortgages and any affordable mortgages, including mortgages originated under a Seller's proprietary program</li> <li>• Seller-Owned Converted Mortgages</li> <li>• Seller-Owned Modified Mortgages</li> <li>• FHA/VA Mortgages</li> <li>• Rural Housing Service Section 502 GRH Mortgages</li> <li>• Section 184 Native American Mortgages</li> <li>• Affordable Merit Rate<sup>®</sup> Mortgages</li> <li>• Mortgages using the Home Value Models</li> <li>• Mortgages with documentation greater than 120 days before the Note Date</li> <li>• Participation Mortgages</li> <li>• Mortgages sold through MIDANET<sup>®</sup></li> <li>• Mortgages with flexible mortgage insurance options</li> <li>• Mortgages with financed mortgage insurance premiums</li> <li>• Mortgages with annual or monthly lender-paid mortgage insurance premiums</li> <li>• Loan Prospector<sup>®</sup> mortgages with an original loan amount greater than \$1 million</li> </ul>
<b>DELIVERY REQUIREMENTS</b>	
<b>Eligible Executions</b>	<ul style="list-style-type: none"> <li>• Guarantor, Cash and MultiLender sale paths through the selling system only.</li> <li>• Best efforts commitment option is not available at this time.</li> <li>• Bulk securities transaction capabilities.</li> <li>• Fixed-rate mortgages are TBA-eligible as long as the UPB of all fixed-rate super conforming mortgages do not exceed 10 percent of the UPB of all mortgages in the applicable pool and other applicable de minimus requirements are met.</li> <li>• Form non-TBA Gold and Giant PC pools that comprise up to and including 100 percent of 15-, 20- and 30-year fixed-rate super conforming mortgages under Guarantor and MultiLender Swap executions.</li> </ul>
<b>Delivery Requirements</b>	<ul style="list-style-type: none"> <li>• Super conforming mortgages may only be delivered through the selling system.</li> <li>• For purchases of 15-, 20- and/or 30-year fixed-rate mortgages under fixed-rate cash contracts, the aggregate UPB of all super conforming mortgages purchased by Freddie Mac from the Seller during any calendar month must not exceed the greater of (i) \$2 million, or (ii) 10% of the aggregate UPB of all fixed-rate mortgages purchased by Freddie Mac from the Seller under fixed-rate cash contracts during such month. Fixed-rate cash purchases that exceed this limit will be subject to an over funding penalty fee that may be adjusted after each funding month based on market conditions at that time.</li> <li>• Review Guide Section 17.44 for more information on delivery and pooling requirements for super conforming mortgages.</li> </ul>
<b>Delivery Fees</b>	<ul style="list-style-type: none"> <li>• Super conforming mortgages will have the standard guarantee-fee plus applicable current <i>Single-Family Seller/Service Guide</i> Exhibit 19 delivery fees plus unique super conforming mortgage postsettlement delivery fees.</li> </ul>
<b>SERVICING REQUIREMENTS</b>	
<b>Servicing Requirements</b>	<ul style="list-style-type: none"> <li>• There are no unique servicing requirements related to the servicing of super conforming mortgages.</li> </ul>
<p><b>Notes:</b></p> <ul style="list-style-type: none"> <li>• For additional details on requirements for super conforming mortgages refer to Guide Chapter L33.</li> <li>• Where these requirements are silent, the minimum requirements in our Guide apply.</li> <li>• If there is a conflict between any of the requirements for super conforming mortgages and any other Guide-permitted products or offerings, the more restrictive requirement(s) apply.</li> </ul>	

**Learn more about super conforming mortgages:**

- Call (800) FREDDIE
- Visit [FreddieMac.com](http://FreddieMac.com)