



Super Conforming Mortgages

Increase purchasing power in high-cost areas

Freddie Mac's super conforming mortgages are mortgages using the higher permanent maximum loan limits in certain high-cost areas established by the *Housing and Economic Recovery Act of 2008* (HERA) and the temporary higher maximum loan limits in certain high-cost areas established by the *American Recovery and Reinvestment Act of 2009* (ARRA).

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 Initial InterestSM Mortgages.
- Guarantor, Cash, and MultiLender executions through the selling system.
- Guarantor transactions of fixed-rate mortgages are TBA-eligible as long as super conforming mortgages do not exceed 10 percent of the unpaid principal balance of all mortgages in the applicable pool and other applicable de minimus requirements are met.

ORIGINATION & UNDERWRITING REQUIREMENTS

Eligible Products	<ul style="list-style-type: none"> 15-, 20-, and 30-year fixed-rate mortgages, fully amortizing Initial InterestSM fixed-rate mortgages with a 10 year or greater interest-only payment period 5/1, 7/1 and 10/1 adjustable-rate mortgages (ARMs), fully amortizing Initial Interest 5/1, 7/1 and 10/1 ARMs with a 10-year interest-only payment period
Purpose	<ul style="list-style-type: none"> Purchase No cash-out refinance Cash-out refinance
Eligible Property Types	<ul style="list-style-type: none"> 1- to 4-unit primary residences Second homes 1- to 4-unit investment properties
Eligible High-Cost Areas	<ul style="list-style-type: none"> Visit the Federal Housing Finance Agency (FHFA) Web site for details on the maximum loan limits for all counties.

Loan Limits¹

Under ARRA, the loan limits in designated high-cost areas are the higher of the temporary limits established by the *Economic Stimulus Act of 2008* (ESA) (maximum of \$729,750 for 1-unit single-family properties) and the permanent limits established by the *Housing and Economic Recovery Act of 2008* (HERA) (maximum of \$625,500 for 1-unit single-family properties). The maximum loan limits for 2- to 4-unit properties and properties located in Alaska, Hawaii, Guam and the U.S. Virgin Islands, where applicable, are higher.

The following minimum and maximum original loan amounts apply to super conforming mortgages sold to Freddie Mac with note dates on or after October 1, 2008, and on or before December 31, 2010:

Units	Minimum/Maximum Original Loan Amount			Properties in Alaska, Hawaii, Guam and the U.S. Virgin Islands		
	Minimum Loan Amount	Maximum Loan Amount		Minimum Loan Amount	Maximum Loan Amount	
		Permanent ¹ HERA	Temporary ¹ ARRA		Permanent ¹ HERA	Temporary ¹ ARRA
1	>\$417,000	\$625,500	\$729,750	>\$625,500	\$938,250	\$1,094,625
2	>\$533,850	\$800,775	\$934,200	>\$800,775	\$1,201,150	\$1,401,350
3	>\$645,300	\$967,950	\$1,129,250	>\$967,950	\$1,451,925	\$1,693,900
4	>\$801,950	\$1,202,925	\$1,403,400	>\$1,202,925	\$1,804,375	\$2,105,100

¹These 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. Sellers must use the loan amount of the mortgage stated in the note to determine compliance with the maximum loan limits stated above.

Maximum LTV/TLTV/ HLT TV Ratios

The maximum LTV/TLTV/HLT TV 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:

PURCHASE TRANSACTION MORTGAGES		
Product	Property Type	Max. LTV w/o Sec. Fin. / Max. LTV w/Sec. Fin. / Max. TLTV w/Sec. Fin. / Max. HLT TV/ w/Sec. Fin.
15-, 20- or 30-year fixed-rate and 5/1, 7/1, 10/1 amortizing ARMs	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%
Loan Prospector[®] Initial Interest Mortgages: Fixed-rate and 5/1, 7/1 and 10/1 ARMs with interest-only periods of 10 years, or greater	1-unit Primary Residence	90/85/90/90%
	Second Home	80/75/80/80%

Maximum LTV/TLTV/ HTLTV Ratios, (cont.)

"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. HTLTV/ w/Sec. Fin.
15-, 20- or 30-year fixed-rate and 5/1, 7/1, 10/1 amortizing ARMs	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%
Loan Prospector Initial Interest Mortgages: Fixed-rate and 5/1, 7/1 and 10/1 ARMs with interest-only periods of 10 years, or greater	1-unit Primary Residence	90/85/90/90%
	Second Home	80/75/80/80%

FREDDIE MAC-OWNED STREAMLINED REFINANCE MORTGAGES		
Product	Property Type	Max. LTV w/o Sec. Fin. / Max. LTV w/Sec. Fin. / Max. TLTV w/Sec. Fin. / Max. HTLTV/ w/Sec. Fin.
15-, 20- or 30-year fixed-rate and 5/1, 7/1, 10/1 amortizing ARMs	1-unit Primary Residence	90/85/90/90%
	2- unit Primary Residence	75/70/75/75%
	Second Home	80/75/80/80%

"CASH-OUT" REFINANCE MORTGAGES		
Product	Property Type	Max. LTV w/o Sec. Fin. / Max. LTV w/Sec. Fin. / Max. TLTV w/Sec. Fin. / Max. HTLTV/ w/Sec. Fin.
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:

PURCHASE AND "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. HTLTV/ w/Sec. Fin.
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	
Loan Prospector Initial Interest Mortgages: Fixed-rate and 5 /1, 7/1 and 10/1 ARMs with interest-only periods of 10 years, or greater	1-unit Primary Residence	80/75/80/80%
	Second Home	70/65/70/70%

Maximum LTV/TLTV/ HLTV Ratios, (cont.)	FREDDIE MAC-OWNED STREAMLINED REFINANCE MORTGAGES		
	Product	Property Type	Max. LTV w/o Sec. Fin. / Max. LTV w/Sec. Fin. / Max. TLTV w/Sec. Fin. / Max. HLTV/ w/Sec. Fin.
	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%
	"CASH-OUT" REFINANCE MORTGAGES		
	Product	Property Type	Max. LTV w/o Sec. Fin. / Max. LTV w/Sec. Fin. / Max. TLTV w/Sec. Fin. / Max. HLTV/ w/Sec. Fin.
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		

Minimum Indicator Scores	Super conforming mortgages with loan amounts greater than \$1 million and mortgages that receive a Loan Prospector credit risk class of Caution must be manually underwritten and meet the minimum Indicator Score requirements as outlined below. Note: Initial Interest Mortgages may not be manually underwritten per Chapter J33 of the Guide.		
	PURCHASE AND "NO CASH-OUT" REFINANCE MORTGAGES		
	Property Type	Maximum LTV/TLTV/HLTIV	Minimum Indicator Score
	1-unit Primary Residence	>75%	660
		≤75%	620
	2- to 4-unit Primary Residence	≤75%	620
	Second Home	>75%	720
		≤75%	620
	1-unit Investment Property	>75%	720
		≤75%	620
2- to 4-unit Investment Property	≤70%	660	
"CASH-OUT" REFINANCE MORTGAGES			
Property Type	Maximum TLTV	Minimum Indicator Score	
1-unit Primary Residence	>70%	720	
	≤70%	620	
2- to 4-unit Primary Residence	≤65%	680	
Second Home and Investment Property	≤65%	700	

Loan Prospector Assessment

- Loan Prospector Accept or Caution-eligible for A-minus assessment required for loan amounts up to \$1 million.
- Initial Interest Mortgages must receive an Accept credit risk class and comply with Guide Chapter J33.
- 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 above.

Additional Underwriting Requirements

- The borrower's credit reputation is acceptable if:
 - The mortgage receives a risk class of Accept
 - The mortgage receives a risk class of Caution-eligible for A-minus and all requirements in Chapter C33 for A-minus Mortgages are met
- Noncredit payment references are prohibited.

	<ul style="list-style-type: none"> • 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. • 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. • For manually underwritten super conforming mortgages, the maximum debt-to-income ratio is 45 percent.
Collateral Assessment	<ul style="list-style-type: none"> • The Seller must obtain an appraisal with an interior and exterior inspection that meets Freddie Mac requirements. • 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. • 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>. • 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. • Super conforming mortgages secured by condominium units are not eligible for Streamlined Reviews outlined in Guide Section 42.4.
Mortgage Insurance	<ul style="list-style-type: none"> • Standard mortgage insurance is required. • Lender-paid mortgage insurance with single premiums is permitted.
Ineligible Products and Features	<ul style="list-style-type: none"> • Balloon/Reset Mortgages • Initial Interest Mortgages with interest-only periods less than 10 years • ARMs with initial periods of less than 5 years • Convertible ARMs • Renovation Mortgages • Alt 97[®] Mortgages • Mortgages secured by a Manufactured Home • Home Possible[®] Mortgages and any affordable mortgages, including mortgages originated under a Seller’s proprietary program • Seller-Owned Converted Mortgages • Seller-Owned Modified Mortgages • FHA/VA Mortgages • Rural Housing Service Section 502 GRH Mortgages • Section 184 Native American Mortgages • Newly Built Home Mortgages • Construction Conversion Mortgages • Affordable Merit Rate[®] Mortgages • Mortgages using the Home Value Models • Mortgages with documentation greater than 120 days before the Note Date • Participation Mortgages • Mortgages sold through MIDANET[®] • Mortgages with flexible mortgage insurance options • Mortgages with financed mortgage insurance premiums • Mortgages with annual or monthly lender-paid mortgage insurance premiums • Loan Prospector[®] mortgages with an original loan amount greater than \$1 million
DELIVERY REQUIREMENTS	
Eligible Executions	<ul style="list-style-type: none"> • Guarantor, Cash and MultiLender sale paths through the selling system only. • Best efforts commitment option is not available at this time. • Bulk securities transaction capabilities. • Fixed-rate mortgages are TBA-eligible as long as super conforming mortgages do not exceed 10 percent of the unpaid principal balance of all mortgages in the applicable pool and other applicable de minimus requirements are met.
Delivery Requirements	<ul style="list-style-type: none"> • Super conforming mortgages may only be delivered through the selling system. • For deliveries of 15-, 20- and/or 30-year fixed-rate mortgages under fixed-rate cash contracts, the aggregate unpaid principal balance (UPB) of all super conforming mortgages delivered by the Seller during any month must not exceed the greater of (i) \$2 million or (ii) 10 percent of the aggregate UPB of all fixed-rate mortgages delivered by the Seller under fixed-rate cash contracts during such month. • Fixed-rate cash contracts exceeding our delivery requirements for super conforming mortgages will be assessed an over funding fee based on a percentage of the total conforming and super conforming mortgages funded each month as follows: <ul style="list-style-type: none"> ○ If super conforming mortgages exceed 10 percent of your total monthly cash funding up to and including 15 percent, you will be assessed a 150 basis point over funding fee on the UPB exceeding 10 percent. ○ If super conforming mortgages exceed 15 percent of your total monthly cash funding, you will be assessed the above fee plus a 350 basis point over funding fee on the portion of the UPB exceeding 15 percent. • Sellers with total monthly cash funding of less than \$20 million will be assessed an over funding fee when the aggregate unpaid principal balance (UPB) of all fixed-rate super conforming mortgages funded during any calendar month exceeds \$2 million. <ul style="list-style-type: none"> ○ When the \$2 million super conforming threshold is exceeded, Sellers will be assessed a 150 basis point over funding fee on the UPB exceeding the \$2 million threshold up to \$300,000. ○ An additional 350 basis point over funding fee will be assessed on the portion of the UPB that exceeds \$300,000. • Review Guide Section 17.44 for more information on delivery and pooling requirements for super conforming mortgages.

Delivery Fees	<ul style="list-style-type: none"> • Super conforming mortgages will have the standard guarantee-fee plus applicable current <i>Single-Family Seller/Service</i> Guide Exhibit 19 delivery fees plus unique super conforming mortgage postsettlement delivery fees.
SERVICING REQUIREMENTS	
Servicing Requirements	<ul style="list-style-type: none"> • There are no unique servicing requirements related to the servicing of super conforming mortgages. All Guide servicing requirements apply including Section 51.11 (c) requirements.
<p>Notes:</p> <ul style="list-style-type: none"> • For additional details on requirements for super conforming mortgages refer to Guide Chapter L33. • Where these requirements are silent, the minimum requirements in our Guide apply. • 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. 	

Learn more about super conforming mortgages:

- Call (800) FREDDIE
- Visit FreddieMac.com