Home Possible Advantage®: A Smart Choice for Affordable Lending

- First-time and repeat buyers
- No cash-out refinance borrowers
- Low- to moderate-income borrowers
- Families in underserved areas

Help these borrowers realize their dream of homeownership with a Freddie Mac Home Possible Advantage mortgage. Home Possible Advantage offers 97% loan-to-value and many benefits for your borrowers.

Key Features
- Maximum loan-to-value (LTV) is 97% and maximum total loan-to-value (TLTV) is 105%.
- Eligible properties: one-unit properties, condominiums and planned unit developments. (Manufactured homes are ineligible.)
- Fixed-rate mortgages with a term of up to 30 years.
- All borrowers must occupy the property as their primary residence.

Flexibilities
- Eligible annual income up to 100% of area median income or higher in high-cost designated areas and no income limit in underserved areas.
- No reserves required.
- More eligible sources of funds for down payment and closing costs.
- May be submitted through Loan Prospector or manually underwritten.
- Rental income allowed (with certain restrictions).
- Temporary subsidy buydown plans allowed to lower initial payments.

Borrower Benefits
- No minimum borrower contribution from borrower personal funds.
- Gifts from related persons and other sources of funds permitted for down payment and closing costs.
- No minimum LTV limit.
- No reserves required, lowering cash needed to close.
- Flexible homebuyer education requirement.

Why Choose Home Possible Advantage over FHA?
- Conventional mortgage insurance will automatically end with Home Possible Advantage when the LTV drops below 80; FHA mortgage insurance will stay for the life of the loan.
- No upfront PMI required for Home Possible Advantage loans.

Resources
- Visit FreddieMac.com/homepossible/hp.html.
- Review Single/Family Seller-Servicer Guide Chapter 4501 for requirements.
- Take our online tutorial, Home Possible Mortgages – Your Affordable Lending Solution at FreddieMac.elearningserver.com/7733012047.