

Home Possible Advantage – MI Plan Comparisons



Compare Home Possible Advantage with Monthly MI vs. FHA

Assumptions: Sales Price \$250,000 / / FICO Ranges 680-719 & 720-759/ FHA insurance cost not determined by FICO scores.
(Note: Borrowers with FICO scores below 680 may be eligible for Home Possible Advantage.)

Home Possible Advantage benefits:

- Lower monthly MI payments.
- No upfront MI premium. (FHA requires 1.75 percent.)
- Ability to cancel MI per *Guide* requirements.
- MI premiums are risk based, so the higher the FICO score, the lower the premium.
- Build home equity more quickly since there's no upfront MI premium to finance and increase the mortgage amount.

Examples of Home Possible Advantage benefits highlighted in blue: 

30-year Fixed Rate Mortgage	Home Possible Advantage 18% MI Coverage, 97% LTV 4.625% Note Rate**, FICO Range 680-719	Home Possible Advantage 18% MI Coverage, 97% LTV 4.625% Note Rate**, FICO Range 720-759	FHA No FICO Cuts, 4.00% Note Rate* 96.5% LTV
Base Loan Amount	\$242,500	\$242,500	\$241,250
Upfront MI Rate (%)	0	0	1.75%
Upfront MI Cost (\$)	0	0	\$4,222*
Total Loan Amount	\$242,500	\$242,500	\$245,472
Down Payment & MI Cost	\$7,500	\$7,500	\$8,750
Monthly MI Rate (%)	*.80	*.60%	.85%
Monthly MI (\$)	\$162	\$121	\$170
Principal/ Interest	\$1,247	\$1,247	\$1,172
Total Monthly Payment	\$1,409	\$1,368	\$1,342

* FHA includes an upfront MIP (1.75%) and renewal premium (.85%) for LTVs > 95%. PMI premiums will adjust due to select transaction features (refinances, relocation, terms of < 25 years, ARM vs. Fixed). Higher FICOs further reduce PMI premium rates.

** Note Rate adjusted to cover delivery fees. Interest Rates based upon (6) month averages drawn from HSH.com (June – November 2014).

Financing of MI premiums for 97% LTV/105% TLTV for Home Possible Advantage – see Freddie Mac Seller/Service Guide for details.

Scenarios are intended for comparison purposes only and should not be relied on for actual rate quotes, Good Faith Estimates, or other borrower disclosures. Comparisons are made at the highest LTV ratios allowed for the product. The content presented here is provided for high-level informational purposes only. You must consult the Freddie Mac *Single-Family Seller/Service Guide* for detailed requirements that apply to Home Possible and 30-year fixed rate mortgage products.