



Freddie Mac Home Possible Mortgage

The Home Possible mortgage is designed for creditworthy, low-to moderate-income borrowers, with expanded eligibility for financing homes in designated low-income, minority, and disaster impacted communities.

		1-Unit	2-4 Units
ELIGIBILITY	Loan Purpose	Purchase or No Cash-out Refinance (LPA Approved only-no manual underwrites)	
	Product	15, 20, or 30 year fixed rate mortgages (FRMs)	
	Occupancy and Property Type	1 unit principal residence, including eligible PUDs. Condominiums could be considered based on Freddie Mac's Streamlined Condo Review guidelines. This would reduce the maximum LTV to 90%. Florida Condos limited to 75% LTV	2-4 unit principal residence
	Maximum LTV/TLTV and Subordinate Financing	Standard subordinate financing allowed – No community second mortgages	
		Purchase: 97% No Cash-out Refinance: 95%	Purchase 95% No Cash-out Refi: 95%
	Minimum Borrower Contribution (own funds)	\$0	3% (0% for LTV/TLTV/HTLTV 80% or less)
	Minimum Credit Score	620 is minimum score for potential accept/eligible LPA findings. Note: Scores this low may not result in favorable LPA findings. Overall LPA approval based on layers of risk.	
	Borrower Income Limits	<ul style="list-style-type: none"> No income limits in low-income census tracts 100% of area median income (AMI) in all other census tracts 	
	Ownership of Other Property	Occupant borrower(s) and non-occupant borrowers may have an ownership interest in other residential property at the time of closing.	
	Non-Occupant Borrowers	Non-occupant borrowers permitted to maximum of 95% LTV. Income considered as part of qualifying income and subject to income limits.	Non-Occupant borrowers not permitted
Mortgage Insurance Coverage	<ul style="list-style-type: none"> 25% MI coverage for LTVs 90.01% - 97% Standard MI coverage for LTVs of 90% or less 		



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UNDERWRITING	Loan Product Advisor (LPA)	<ul style="list-style-type: none"> LPA recommendation of Accept/Eligible required. LPA will determine qualifying ratios and reserves. 	
	Boarder/Rental Income	<p>Rental income from 1-unit Primary acceptable as qualifying income if:</p> <ul style="list-style-type: none"> Person providing rental income to borrower: <ol style="list-style-type: none"> Has resided with the borrower for \geq 1-yr and paid rent to borrower for the past 12 months. Will continue residing with the borrower in new residence Provides documentation of shared residency (e.g. driver's license, bill, or bank statement showing address same as the borrower's). Receipt of regular rental payments (i.e. cancelled checks) paid to borrower or documented for minimum of 9 of the most recent 12 months. Rental income must be averaged over 12 months when <12 months of rental payments documented Rental income must be \leq30% of qualifying income Borrower written statement required affirming source of the rental income & that the person providing rental income has resided with & plans to continue residing with the borrower in new residence for foreseeable future. 	<p>Rental income from non-owner occupied units can be considered as per standard Freddie Mac guidelines.</p>
	Interested Party Contributions	<ul style="list-style-type: none"> LTV/TLTV greater than 90% - 3% maximum LTV/TLTV 75.01% - 90% - 6% maximum LTV/TLTV 75% or less – 9% Maximum 	

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Homeownership Education	Pre-purchase Homeownership Education	<ul style="list-style-type: none"> At least <u>one</u> borrower must complete homeownership education on any Purchase transaction where <u>all</u> occupying borrowers are First-Time Homebuyers Homeownership Education Cert (or similar document) required. Homeownership Education must not be provided by an interested party, the originating lender, or the Seller of the loan to Freddie Mac. <p>The following options are allowed:</p> <ul style="list-style-type: none"> Programs developed by MI companies Programs developed by HUD-approved counseling agencies, HFAs or Community Development Financial Institutions. Programs that meet the standards of the National Industry Standards for Homeownership Education and Counseling (https://www.homeownershipstandards.org). Programs using Freddie Mac's CreditSmart financial education curriculum, provided modules 1, 2, 7, 11, & 12 are included, or access the CreditSmart Steps to Homeownership Tutorial (http://freddiemac.com/creditsmart/tutorial.html). 	
	Landlord Education	Not required on single family properties	<ul style="list-style-type: none"> Purchase Transactions – At least one qualifying Borrower must participate in a landlord education program before the Note Date. Landlord education must not be provided by an interested party to the transaction, the originating lender, or the Seller. A copy of a certificate evidencing successful completion of the landlord education program must be retained in the Mortgage file. Refinance Transactions – Landlord education is not required but is recommended for Borrowers who have not previously attended a program. Sources for landlord education listed above.