

See full Product Guide for complete information.

Revised 11-15-21

Given the current situation associated with COVID-19, refer to Credit Policy 20-07 for temporary guidance related to certain credit, income and collateral requirements.

Maximum FRM LTV/TLTV/HTLTV Primary, Purchase and No Cash-Out Refinance		
Loan Amount	Conforming	Super Conforming
Property Type	LTV / TLTV / HTLV ¹	LTV / TLTV / HTLV
Home Possible Mortgages		
1 Unit ²	97%/105%/97% ¹	95%/105%/95% ¹
2 Unit	95%/105%/95% ¹	85%
3 to 4 Unit	95%/105%/95% ¹	80%

Maximum FRM LTV/TLTV/HTLTV Primary, Purchase and No Cash-Out Refinance		
Loan Amount	Conforming	Super Conforming
Property Type	LTV / TLTV / HTLV ¹	LTV / TLTV / HTLV
Home Possible Mortgages		
1 Unit	95%/105%/95% ¹	95%
2 Unit	95%/105%/95% ¹	85%
3 to 4 Unit	75%/105%/75% ¹	75%

¹A TLTV ratio up to 105% is permitted when secondary financing is an Affordable Second only.
² Non-Occupant co-borrower permitted on a 1-unit property with maximum 95% LTV/TLTV/HTLTV except that for fixed rate loans with Affordable Seconds, the TLTV ratio must not exceed 105%
 • Refer to the Agency Loan Limit matrix for maximum loan amounts
 Some transactions may not be eligible for MI. Please refer to the MI provider guidelines.
 • Refer to the Agency Loan Limit matrix for maximum loan amounts

Amortization	• 15, 20, 25, 30 Year (30 Year only for ARM transactions)	• Odd terms down to 8 Years
Secondary Financing	<ul style="list-style-type: none"> • Permitted in accordance with Freddie Mac Section 4204. • Secondary financing on loans over 80% LTV must meet MI Provider guidelines • For any refinance, any eligible subordinate financing may remain in place; however, it must be re-subordinated to the first mortgage and meet any TLTV/HTLTV limits. 	
Eligible Properties	<ul style="list-style-type: none"> • 1-4 Units • Warrantable Condo, PUD, Townhouse • Leaseholds/Ground Leases (5704.1) 	<ul style="list-style-type: none"> • Land Contracts/Contract for Deed (4404.1 and 5601.3) • Properties in Lava Zones 1&2 - Proper insurance must be obtained
Ineligible Properties	<ul style="list-style-type: none"> • Manufactured Housing* • Second Homes • Investment Properties • Non-warrantable Condo • Timeshare • Mixed Use • Mobile Home • Cooperative • Condo/PUD Hotel 	<ul style="list-style-type: none"> • Commercial Property • Working Farms • Properties with Resale Deed Restrictions (Age restricted properties may be eligible) • Commercial Property • Land Trust and Community Land Trust (including Illinois Land Trusts) • Life Estates (Credit Policy Announcement 15-28)
Occupancy	<ul style="list-style-type: none"> • Primary Residence ONLY • 1-4 Unit • All Borrowers must occupy the property with the exception of the below: <ul style="list-style-type: none"> - Non-occupant Borrower(s) are permitted on transactions secured by 1-unit properties when the LTV/TLTV/HTLTV ratio is less than or equal to 95%. All borrowers must have a credit score. • The occupying Borrower(s) must not have an ownership interest in more than two financed residential properties, including the subject property, as of the Note Date. • Refer to maximum LTV/CLTV/HCLTV chart above • If subordinate financing exists refer to Secondary Financing section 	

Refinance Transactions	<ul style="list-style-type: none"> • No Cash-Out Only • Pay off of the First Mortgage, regardless of its age, used to acquire the property. • Pay off of the First Mortgage, originated as a refinance transaction, with a Note Date no less than 30 days prior to the Note Date of the no cash out refinance Mortgage, as documented in the Mortgage file on the credit report or the title commitment. • All refinance transactions must satisfy one of the following: <ul style="list-style-type: none"> - At least one borrower on the refinance must have been a borrower on the mortgage being refinanced; OR - At least one borrower on the refinance must have held title to and resided in the property as their primary residence for the most recent 12 month period and the loan file must contain documentation evidencing that the Borrower, either: <ul style="list-style-type: none"> ▫ Has been making timely Mortgage payments, including the payments for any secondary financing, for the most recent 12 month period; OR ▫ Is a Related Person to a Borrower on the Mortgage being refinanced; OR ▫ At least one borrower on the refinance mortgage inherited or was legally awarded the mortgaged premises by a court in the case of divorce, separation or dissolution of a domestic partnership • For properties located in Texas, the first mortgage being refinanced cannot be a 50(a)(6), a/k/a Texas home equity loan. 															
Underwriting	<p>Automated Underwriting (Loan Product Advisor):</p> <ul style="list-style-type: none"> • All loans are required to be submitted to LPA. Manual underwriting is not permitted. • Eligible Loan Product Advisor recommendation: Loan Product Advisor Accept <p>Ratios:</p> <ul style="list-style-type: none"> • According to Loan Product Advisor Feedback, however, must follow the more restrictive of Loan Product Advisor or 50.49%. • Loan Product Advisor must reflect all payments, regardless of the number of months remaining, except for installment loans with less than 10 months <p>Credit Profile:</p> <ul style="list-style-type: none"> • Minimum risk score of 620 unless a higher score is required for a Loan Product Advisor Accept recommendation • Transactions where no borrower has a credit score may be eligible (see full underwriting guidelines for additional requirements) <p>Minimum Borrower Contribution for Purchase Transactions:</p> <table border="1" data-bbox="293 1014 1555 1209"> <thead> <tr> <th colspan="3">Borrower Contribution from Borrower Personal Funds</th> </tr> <tr> <th>Property Type</th> <th>Home Possible with LTV / TLTV / HTLTV ≤ 80%</th> <th>Home Possible with LTV/TLTV/ HTLTV > 80% and ≤ 105%</th> </tr> </thead> <tbody> <tr> <td>1-unit</td> <td>None</td> <td>None</td> </tr> <tr> <td>2- to 4-unit</td> <td>None</td> <td>3%</td> </tr> </tbody> </table> <p>Income Limits:</p> <ul style="list-style-type: none"> • FMC must use income used to qualify the Borrower to establish that the income limits are not exceeded. • Loan Product Advisor will determine the borrower's income eligibility; income must be calculated as described in Freddie Mac Section 4501.9. • The borrower's qualifying income converted to an annual basis may not exceed 80% of the Area Median Income (AMI) limits for the location of the Mortgage Premises including properties in low-income census tracts. 	Borrower Contribution from Borrower Personal Funds			Property Type	Home Possible with LTV / TLTV / HTLTV ≤ 80%	Home Possible with LTV/TLTV/ HTLTV > 80% and ≤ 105%	1-unit	None	None	2- to 4-unit	None	3%			
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Appraisal Requirements	<ul style="list-style-type: none"> • Loan Product Advisor Feedback will indicate if an appraisal is required. For an overview of Freddie Mac appraisal report forms, refer to Freddie Mac Section 5601.7 • Solar Panels: When considering properties with solar panels, FMC must evaluate ownership of the solar panels and any liens upon the property relating to debt or lease payments used to obtain the solar panels. <ul style="list-style-type: none"> ▫ Refer to Freddie Mac Sections 4702.4 and 5601.2 for additional guidance. 															
Homeownership Education	<p>When all occupying borrowers are First-Time Homebuyers for a purchase transaction, at least one qualifying borrower must participate in a homeownership education program before the note date or the effective date of permanent financing.</p>															
MI Coverage Requirements	<table border="1" data-bbox="293 1675 1555 1793"> <thead> <tr> <th>Transaction Type</th> <th>80.01-85.00%</th> <th>85.01-90.00%</th> <th>90.01-95.00%</th> <th>95.01 - 97.00%¹</th> </tr> </thead> <tbody> <tr> <td>Term ≤ 20 Years</td> <td>6%</td> <td>12%</td> <td>25%</td> <td>25%</td> </tr> <tr> <td>Term > 20 Years</td> <td>12%</td> <td>25%</td> <td>25%</td> <td>25%</td> </tr> </tbody> </table> <p>¹Fixed Rate Only</p>	Transaction Type	80.01-85.00%	85.01-90.00%	90.01-95.00%	95.01 - 97.00% ¹	Term ≤ 20 Years	6%	12%	25%	25%	Term > 20 Years	12%	25%	25%	25%
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