

	<b>Home Possible</b>	<b>Home Possible Advantage</b>
<b>Maximum LTV/TLTV</b>	Maximum LTV and TLTV of 95 percent.	LTV: Maximum LTV of 97 percent; TLTV 105 percent* *Secondary Financing must be an Affordable Second.
<b>Eligible Loan Terms</b>	<ul style="list-style-type: none"> <li>• 10-30 year fixed rate mortgages only</li> <li>• Loan amounts must fall within conventional conforming limits</li> </ul>	Same
<b>Loan Purpose</b>	<ul style="list-style-type: none"> <li>• Purchase</li> <li>• No cash out refinance</li> </ul>	Same
<b>Eligible Property Types</b>	<ul style="list-style-type: none"> <li>• 1-4 unit properties</li> <li>• Condos</li> <li>• PUDS</li> </ul>	<ul style="list-style-type: none"> <li>• 1 unit only</li> <li>• Condo</li> <li>• PUDS</li> </ul>
<b>Ineligible Property Types</b>	<ul style="list-style-type: none"> <li>• Manufactured homes</li> <li>• Leaseholds</li> <li>• Co-ops</li> </ul>	Same
<b>Non-Occupant Borrowers</b>	<ul style="list-style-type: none"> <li>• Non-occupant borrowers permitted to maximum 95% LTV in DU</li> <li>• Income considered as party of qualifying income and subject to income limits</li> <li>• No limitation on ownership of other property for non-occupant borrower</li> </ul>	Not Allowed
<b>Income Limits</b>	<p>The borrower must meet income limits. Loan Product Advisor will indicate income eligibility; you may also use Home Possible Income &amp; Property Eligibility tool on FreddieMac.com.</p> <ul style="list-style-type: none"> <li>➤ For Home Possible mortgages, the borrower's annual income must meet the following requirements: <ul style="list-style-type: none"> <li>✓ The borrower's annual income cannot exceed 100% of the area median income limits or a higher percentage on designated high costs areas as indicated in the Freddie Mac selling guide section 4501.7</li> <li>✓ When the property is located in a designated "Underserved Area," AMI requirements do not apply.</li> </ul> </li> </ul> <p>An Underserved Area is defined as any of the following:</p> <ul style="list-style-type: none"> <li>• Low income tract: Census tracts or block numbering areas in which median income does not exceed 80% of the AMI;</li> <li>• Disaster area designation: Census tracts designated as disaster areas where families reside and have an income that does not exceed AMI;</li> <li>• Minority census tracts: Census tracts that have a minority population of at least 30% and a median income of less than 100% of AMI.</li> </ul>	Same

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<b>Eligible Income</b>	Lender must attempt to verify all income reported on the Uniform Residential Loan Application. All reported income that has been verified and that is stable monthly income must be used to qualify the borrower and in determining whether the borrower meets the income limits.	Same
<b>Ownership of Other Residential Property</b>	<ul style="list-style-type: none"> <li>• Occupant borrower(s) may have ownership interest in one additional property other than the subject.</li> </ul>	Same
<b>Credit Underwriting</b>	<ul style="list-style-type: none"> <li>• Loans must be submitted through Loan Product Advisor (LPA) and receive an "Accept".</li> <li>• Loans will not be underwritten manually.</li> </ul>	Same
<b>Minimum Credit Scores</b>	All borrowers must have a minimum score of 620.	Same

	<b>Home Possible</b>	<b>Home Possible Advantage</b>
<b>Purchase 1-Unit Properties</b>	<p style="text-align: center;"><b><u>Homeownership Education</u></b></p> <p>At least one Borrower must participate in a homeownership education program before the Note Date, or the Effective Date of Permanent Financing for Construction Conversion and Renovation Mortgages, in each of the following instances:</p> <ul style="list-style-type: none"> <li>• For purchase transactions when all Borrowers are First-Time Homebuyers</li> </ul> <p>Homeownership education programs may use different formats and require different lengths of time to complete. The following are acceptable:</p> <ul style="list-style-type: none"> <li>• Programs developed by HUD-approved counseling agencies, Housing Finance Agencies (HFAs) or Community Development Financial Institutions (CDFIs)</li> <li>• Programs developed by mortgage insurance companies</li> <li>• Programs that meet the standards of the National Industry Standards for Homeownership Education and Counseling (<a href="http://www.homeownershipstandards.com">www.homeownershipstandards.com</a>)</li> </ul> <p>Freddie Mac's free financial literacy curriculum, Credit Smart®, meets the homeownership education requirements, provided:</p> <ul style="list-style-type: none"> <li>• The Borrower completes the on-line Credit Smart – Steps to Homeownership Tutorial, which includes: <ul style="list-style-type: none"> <li>➢ Module 1 (Your Credit and Why It Is Important)</li> <li>➢ Module 2 (Managing Your Money)</li> <li>➢ Module 7 (Thinking Like a Lender)</li> <li>➢ Module 11 (Becoming a Homeowner) and</li> <li>➢ Module 12 (Preserving Homeownership: Protecting Your Investment)</li> </ul> </li> </ul>	Same

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<b>Purchase 2-4 Units Properties</b>	<p align="center"><b><u>Landlord Education</u></b></p> <p>(2- to 4-unit Primary Residences)</p> <ul style="list-style-type: none"> <li>• Purchase Transactions — At least one qualifying Borrower must participate in a landlord education program before the Note Date, or the Effective Date of Permanent Financing for Construction Conversion and Renovation Mortgages. 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.</li> <li>• Refinance Transactions — Landlord education is not required but is recommended for Borrowers who have not previously attended a program.</li> </ul>	Same																						
<b>Borrower Contribution</b>	1 Unit – None 2-4 unit LTV/TLTV >80% - 3%	No minimum contribution from the borrower’s personal funds is required.																						
<b>Reserves</b>	<ul style="list-style-type: none"> <li>• As required by LPA per feedback certificate for One Unit Properties</li> <li>• 2-4 units – 2 months reserves required</li> </ul>	As required by LPA per feedback certificate.																						
<b>Mortgage Insurance</b>	<table border="1"> <thead> <tr> <th rowspan="2">Transaction Type</th> <th rowspan="2">MI Coverage</th> <th colspan="4">LTV Ratio</th> </tr> <tr> <th>&gt;80% &amp; ≤85%</th> <th>&gt;85% &amp; ≤90%</th> <th>&gt;90% &amp; ≤95%</th> <th>&gt;95% &amp; ≤97%</th> </tr> </thead> <tbody> <tr> <td>Home Possible, fixed rate, term ≤ 20 year</td> <td>Standard</td> <td>6%</td> <td>12%</td> <td>25%</td> <td>25%</td> </tr> <tr> <td>Home Possible, fixed-rate, term &gt; 20 years; ARMs; and manufactured homes</td> <td>Standard</td> <td>12%</td> <td>25%</td> <td>25%</td> <td>25%</td> </tr> </tbody> </table>	Transaction Type	MI Coverage	LTV Ratio				>80% & ≤85%	>85% & ≤90%	>90% & ≤95%	>95% & ≤97%	Home Possible, fixed rate, term ≤ 20 year	Standard	6%	12%	25%	25%	Home Possible, fixed-rate, term > 20 years; ARMs; and manufactured homes	Standard	12%	25%	25%	25%	
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