

HOME POSSIBLE MATRIX

PRIMARY RESIDENCE				
Finance Type	Units	Maximum LTV/TLTV/HTLTV	Max Super Conforming LTV/TLTV/HTLTV	FICO
Purchase and Rate/Term Refinance	1 Unit	97% ¹	95%	620
	2 Unit	95%	85%	
	3 – 4 Unit	95%	80%	
	Manufactured Home	95% ¹	N/A	
¹ A TLTV ratio up to 105% is permitted when secondary financing is an Affordable Second.				
Follow Conventional Guidelines unless stated otherwise below				

GENERAL REQUIREMENTS																																													
General Description	The Home Possible mortgage offers more options and credit flexibilities to qualified borrowers who meet specific income criteria.																																												
Mortgage Insurance	<div><div><div><div>Required based on the applicable LTV calculation.<div><div>Standard Coverage per LPA Approval</div><div>Reduced MI coverage</div><div>Borrower paid monthly and single premium; BPMI single premium may be financed.</div><div>LPMI – single premium only.</div></div></div></div><div>Refundable and non-refundable options eligible.</div></div><table><tr><th colspan="5">Mortgage Insurance Coverage</th></tr><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%</th></tr><tr><th colspan="5">All property types (including MH Advantage) other than standard manufactured homes</th></tr><tr><td rowspan="2">Term <= 20 years</td><td rowspan="2">6%</td><td rowspan="2">12%</td><td>Standard: 25%</td><td>Standard: 25%</td></tr><tr><td>Custom¹: 16%</td><td>Custom¹: 18%</td></tr><tr><td rowspan="2">Term > 20 years</td><td>Standard: 12%</td><td>Standard: 25%</td><td>Standard: 25%</td><td>Standard: 25%</td></tr><tr><td>Custom¹: 6%</td><td>Custom¹: 12%</td><td>Custom¹: 16%</td><td>Custom¹: 18%</td></tr><tr><th colspan="5">Manufactured Homes</th></tr><tr><td>All terms</td><td>6%</td><td>12%</td><td>16%</td><td>Not Applicable</td></tr></table><div>¹If custom mortgage insurance is chosen, additional fees apply.</div></div>				Mortgage Insurance Coverage					Transaction Type	80.01 – 85.00%	85.01 – 90.00%	90.01 – 95.00%	95.01 – 97.00%	All property types (including MH Advantage) other than standard manufactured homes					Term <= 20 years	6%	12%	Standard: 25%	Standard: 25%	Custom ¹ : 16%	Custom ¹ : 18%	Term > 20 years	Standard: 12%	Standard: 25%	Standard: 25%	Standard: 25%	Custom ¹ : 6%	Custom ¹ : 12%	Custom ¹ : 16%	Custom ¹ : 18%	Manufactured Homes					All terms	6%	12%	16%	Not Applicable
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Product Codes	<div><div>Click here for Product Codes</div></div>																																												
Underwriting	<div><div>LPA only. Must receive a risk class of Accept. Manual underwrites not allowed.</div></div>																																												
BORROWER ELIGIBILITY																																													
Co-Borrowers	<div><div><div><div>Non-Occupant Co-Borrowers</div><div><div>1 unit property only</div><div>May not be an interested party to the sales transaction.</div><div>Maximum 95% LTV<div><div>No minimum borrower contribution required</div><div>Maximum LTV/CLTV/HCLTV may not exceed 95% unless an Affordable Seconds is part of the transaction, in which case the CLTV may not exceed 105%.</div></div></div></div><div>Funds used to qualify for the mortgage may come from the occupying and/or the non-occupying borrower.</div></div></div></div>																																												
Homeownership Education and Landlord Education	<div><div><div><div>Homeownership Education Requirement</div><div>Purchase transactions – At least one occupying borrower must participate in a homeownership education program before the Note Date when all occupying borrowers are first-time homebuyers.</div></div><div><div>Landlord Education (2- to 4-unit Primary Residence)</div><div><div>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.</div><div>Refinance transactions – Landlord education is not required but is recommended for borrower who have not previously attended a program.</div></div></div><div><div>Acceptable education providers and format</div><div>Homeownership education must not be provided by an interested party to the transaction, the originating lender or by the Seller.</div><div><div><div>(A) Homeownership education programs</div><div>Homeownership education programs may use different formats and require different lengths of time to complete. The following are acceptable:<div><div>Programs provided by mortgage insurance companies, HUD-approved counseling agencies, Housing Finance Agencies (HFAs) or Community Development Financial Institutions (CDFIs)</div><div>Programs that meet the standards of the National Industry Standards for Homeownership Education and Counseling (www.homeownershipstandards.org)</div></div></div><div>(B) Homeownership education program alternative</div></div></div></div></div></div>																																												

Homeownership Education and Landlord Education (cont.)	<p>As an alternative to the programs listed above, Freddie Mac’s free homeownership education curriculum, CreditSmart® Homebuyer U, meets the homeownership education requirements.</p> <p>Documentation A copy of Exhibit 20, Homeownership Education Certification, or other document (such as the CreditSmart Homebuyer U certificate of completion) containing comparable information must be retained in the mortgage file.</p>																				
Income Limits	<p>The borrower’s qualifying income converted to an annual basis must not exceed 80% of the Area Median Income for the location of the subject property. To determine whether the borrower’s income exceeds the income limits, the lender must rely on the income used to qualify the borrower and submitted to Loan Product Advisor.</p> <ul style="list-style-type: none">LPA will determine the income eligibility of the mortgage. <p>https://sf.freddiemac.com/working-with-us/affordable-lending/home-possible-eligibility-map</p>																				
Minimum Borrower Contribution	<table><tr><th colspan="4">Minimum Borrower Contribution Requirement from Borrower’s Own Funds</th></tr><tr><th>Property Type</th><th>LTV/TLTV/HTLTV ≤ 80%</th><th>LTV/TLTV/HTLTV 80.01-95%</th><th>LTV/TLTV/HTLTV > 95%</th></tr><tr><td>1 Unit</td><td>None</td><td>None</td><td>None</td></tr><tr><td>Manufactured Home</td><td>None</td><td>None</td><td>N/A</td></tr><tr><td>2 – 4 Units</td><td>None</td><td>3% of value</td><td>3% of value</td></tr></table>	Minimum Borrower Contribution Requirement from Borrower’s Own Funds				Property Type	LTV/TLTV/HTLTV ≤ 80%	LTV/TLTV/HTLTV 80.01-95%	LTV/TLTV/HTLTV > 95%	1 Unit	None	None	None	Manufactured Home	None	None	N/A	2 – 4 Units	None	3% of value	3% of value
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Manufactured Home	None	None	N/A																		
2 – 4 Units	None	3% of value	3% of value																		
Multiple Financed Properties	<ul style="list-style-type: none">The occupant borrower(s) may not have an ownership interest in more than two financed residential properties, including the subject property, as of the Note Date.																				
Occupancy	<ul style="list-style-type: none">At least one borrower must occupy the property as their primary residence.																				
FINANCING TYPES																					
Eligible Loan Types	<ul style="list-style-type: none">Fixed Rate: 15- and 30-year																				
Eligible Transactions	<p>Eligible transactions</p> <ul style="list-style-type: none">PurchaseLimited Cash-Out Refinance transactions																				
Temporary Buydowns	<p>The following requirements apply to temporary interest rate buydowns on HomeReady mortgages:</p> <ul style="list-style-type: none">Purchase transaction only95% Maximum LTVMust be fixed rate1-2 unit properties onlyLender paid buydown onlyQualify at note rateAUS approval requiredAll borrowers must have a credit scoreIneligible property types<ul style="list-style-type: none">Manufactured HomeLeasehold propertiesLoans in Texas are not eligible																				
CREDIT																					
Credit	<ul style="list-style-type: none">Refer to LTV matrix for minimum credit score requirements.All borrowers are required to have a credit score.Tri-merged credit report is required for all borrowers.Refer to Conventional Guidelines (LPA) for additional credit requirements.																				
Qualifying Ratios	<ul style="list-style-type: none">Determined by LPARefer to Conventional Guidelines (LPA) for additional DTI requirements.																				
INCOME																					
Employment / Income	<ul style="list-style-type: none">Follow AUS Findings for income documentation requirements																				
Rental Income from the Subject Property	<p>Rental income from a 1-unit Primary Residence may be considered as stable monthly income provided it meets the requirements in Freddie Mac Seller Guide Section 5306.1 AND:</p> <ul style="list-style-type: none">Freddie Mac Seller Guide Section 5306.2 for rental income from a live-in aide, ORFreddie Mac Seller Guide Section 5306.3 for rental income generated from an ADU ORThe person providing the rental income:<ul style="list-style-type: none">Is not obligated on the Mortgage and does not have an ownership interest in the subject propertyHas resided with the borrower for at least one yearWill continue residing with the borrower in the new residenceProvides appropriate documentation to evidence residency with the borrower (i.e., copy of a driver’s license, bill, bank statement, etc., that shows the address of that person to be the same as the borrower’s address)Is not the borrower’s spouse or domestic partnerRental income from the person residing in the subject property:<ul style="list-style-type: none">Has been paid to the borrower for the past 12 monthsCan be verified by the borrower with evidence showing receipt of regular payment of rental income to the borrower for at least nine of the past 12 months (i.e., copies of canceled checks)Must be averaged over 12 months for qualifying purposes when fewer than 12 months of payments are documentedDoes not exceed 30% of total income used to qualify for the mortgageThe mortgage file must contain a written statement in the form of a signed letter or email directly from the borrower affirming:<ul style="list-style-type: none">The source of the rental income																				

Rental Income from the Subject Property (cont.)	<ul style="list-style-type: none"> ○ The fact that the person providing the rental income has resided with the borrower for the past year and intends to continue residing with the borrower in the new residence for the foreseeable future <p>Rental income that meets the above requirements may be generated from an ADU. In addition, Property Eligibility and Appraisal Requirements in Freddie Mac Seller Guide must be met.</p>												
ASSETS													
Assets	<ul style="list-style-type: none"> • Follow AUS Findings for required documentation (i.e., 2 months bank statements or VOD) 												
Reserves	<ul style="list-style-type: none"> • LPA will determine the reserve requirement. All reserves required by LPA must be verified, as stated on the Feedback Certificate. 												
Source of Funds	<p>The following sources of funds are permitted and must meet the requirements below:</p> <table border="1" data-bbox="355 553 1559 962"> <thead> <tr> <th>Use</th><th>Permitted Sources of Funds</th></tr> </thead> <tbody> <tr> <td>Minimum Borrower Contribution</td><td> <ul style="list-style-type: none"> • Borrower personal funds </td></tr> <tr> <td>Down Payment</td><td> <ul style="list-style-type: none"> • Borrower personal funds • Other eligible sources of funds </td></tr> <tr> <td>Paying down the principal balance of the mortgage being refinanced for an “no cash-out” refinance transaction</td><td> <ul style="list-style-type: none"> • Borrower personal funds • Other eligible sources of funds </td></tr> <tr> <td>Closing Costs</td><td> <ul style="list-style-type: none"> • Borrower personal funds • Other eligible sources of funds • Flexible sources of funds </td></tr> <tr> <td>Reserves</td><td> <ul style="list-style-type: none"> • Borrower personal funds • Other eligible sources of funds </td></tr> </tbody> </table> <p>Borrower Personal Funds</p> <p>When used with Home Possible Mortgages, borrower personal funds include:</p> <ol style="list-style-type: none"> 1. Borrower personal funds per Freddie Mac guidelines 2. Cash on hand, if the following requirements are met: <ul style="list-style-type: none"> ▪ The lender reasonably concludes, and can support, that the borrower is a cash-basis individual and that the cash on hand is not borrowed and could be saved by the borrower ▪ The mortgage file contains the following documents supporting the Lender’s conclusion: <ul style="list-style-type: none"> ▪ Documentation confirming that the total monthly residual income available for savings is a positive number. The use of Exhibit 23, Monthly Budget and Residual Analysis Form, is optional; however, it reflects information that may be necessary to confirm that the total monthly residual income available for savings is a positive number. ▪ Copies of six months’ cash receipts (e.g., rent or utility receipts) or other alternative documentation (e.g., direct verifications or wire transfers) meeting Freddie Mac requirements to verify that recurring obligations, including the payment of revolving and installment debt, are customarily paid in cash ▪ A credit report, obtained at the time of loan application. The credit report must not show more than three tradelines. ▪ Copies of three months’ statements for any open revolving account that reveal cash advances are not the source of borrower funds. Any cash advances must be explained and documented (i.e., a cash advance used in an emergency situation). ▪ An updated credit report obtained approximately one week before closing that does not show any new accounts or a substantial increase to an existing account that approximates, or exceeds, the amount of cash on hand provided by the borrower ▪ The mortgage file must have no indication that the borrower typically uses checking, savings or similar accounts ▪ Evidence that all funds used to qualify the borrower for the mortgage transaction are deposited in a financial institution or are held in an institutional escrow account prior to closing. <p>Other Eligible Sources of Funds</p> <p>When used with Home Possible mortgages, other eligible sources of funds used to qualify the borrower for the mortgage transactions, include:</p> <ol style="list-style-type: none"> 1. Other eligible sources of funds per Freddie Mac guidelines 2. For purchase transactions, proceeds from an unsecured loan from the following sources: <ul style="list-style-type: none"> ▪ Except as stated in item 6 below, an Agency that is not: <ul style="list-style-type: none"> ▪ The lender or has participated in any aspect of the mortgage originating process ▪ Affiliated with, under contract to, or financed (directly or indirectly) by the lender or any party that participated in the mortgage origination process <p>For these purposes, “affiliated with” means that the Agency and the lender or other party are related to each other as a consequence of one entity directly or indirectly controlling the other party, being controlled by the other party or being under common control with that party.</p> ▪ A related person, or ▪ A Community Savings System (funds in excess of the borrower contribution to the Community Savings System) <p>An unsecured loan must meet the following requirements:</p> <ul style="list-style-type: none"> ▪ Must not contain provisions that allow or could result in negative amortization ▪ Must have a maturity date that: <ul style="list-style-type: none"> ▪ Does not exceed the maturity date of the mortgage ▪ Is at least five years after the Note Date of the Mortgage, unless the unsecured loan is fully amortizing ▪ Must have an interest rate that is no greater than the Note Rate on the mortgage ▪ Must not be a cash advance from a credit card or unsecured line of credit 	Use	Permitted Sources of Funds	Minimum Borrower Contribution	<ul style="list-style-type: none"> • Borrower personal funds 	Down Payment	<ul style="list-style-type: none"> • Borrower personal funds • Other eligible sources of funds 	Paying down the principal balance of the mortgage being refinanced for an “no cash-out” refinance transaction	<ul style="list-style-type: none"> • Borrower personal funds • Other eligible sources of funds 	Closing Costs	<ul style="list-style-type: none"> • Borrower personal funds • Other eligible sources of funds • Flexible sources of funds 	Reserves	<ul style="list-style-type: none"> • Borrower personal funds • Other eligible sources of funds
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Source of Funds (cont.)	<div><div><div><div><div></div><div>Must have its source, terms and conditions documented on the Form 65, Uniform Residential Loan Application</div></div><div><div></div><div>If the monthly payment of principal and interest or interest only begins on or after the 61st monthly payment under the first lien mortgage or if repayment of the loan is due only upon sale or default, the amount of the monthly payment may be excluded from the monthly DTI; otherwise, the required monthly payments must be included in calculating the monthly DTI ratio.</div></div></div></div><div><div>3.</div><div>Sweat Equity</div></div><div><div>4.</div><div>Proceeds from an Affordable Second or other secondary financing that meets Freddie Mac requirements. When the TLTV ratio exceeds 97%, the secondary financing subordinated to a Home Possible Mortgage must be an Affordable Second.</div></div><div><div>5.</div><div>Funds provided by an Agency that is affiliated with, under contract to, or financed (directly or indirectly) by the Seller as the originating lender, when:<div><div><div></div><div>The source of funds is an eligible source meeting all applicable Freddie Mac requirements</div></div><div><div></div><div>A contribution of a least 3% of value is made from borrower personal funds and/or other eligible sources of funds as described in this section; and</div></div><div><div></div><div>The source of funds is not funded through the mortgage transaction, including differential pricing in rate, discount points, or fees for individual loans or across the Home Possible offering.</div></div></div></div></div><div><div>Flexible Sources of Funds</div><div>When used with Home Possible mortgages, flexible sources of funds include:<div><div><div></div><div>Financing concessions meeting Freddie Mac requirements</div></div><div><div></div><div>Lender credit, meeting Freddie Mac requirements, and as documented on the Settlement/Disclosure Statement</div></div><div><div></div><div>Proceeds from an unsecured loan from the Seller as originating lender meeting the following requirements:<div><div><div></div><div>Must not contain provisions that allow or could result in negative amortization</div></div><div><div></div><div>Must have a maturity date that:<div><div><div></div><div>Does not exceed the maturity date of the mortgage</div></div><div><div></div><div>Is at least five years after the Note Date of the mortgage, unless the unsecured loan is fully amortizing</div></div></div></div></div><div><div></div><div>Must have an interest rate that is no greater than the Note Rate on the mortgage</div></div><div><div></div><div>Must not be a cash advance from a credit card or unsecured line of credit</div></div><div><div></div><div>Must have its source, terms and conditions documented on Form 65</div></div></div></div></div><div><div></div><div>If the monthly payment of principal and interest or interest only begins on or after the 61st monthly payment under the First Lien mortgage or if repayment of the loan is due only upon sale or default, the amount of the monthly payment may be excluded from the monthly DTI ratio; otherwise, the required monthly payments must be included in calculating the monthly DTI ratio.</div></div></div></div></div></div>									
Subordinate Financing	<div><div><div></div><div>Subordinate financing and Affordable Seconds, meeting Freddie Mac requirements, are eligible.</div></div><div><div></div><div>Subordinate financing from a seller-held mortgage is not permitted with Home Possible mortgages.</div></div></div>									
Sweat Equity	<div><div>Sweat equity is an acceptable if the following conditions are met:</div><div>Sweat equity is credit for labor performed on the mortgage premises and/or materials furnished for the mortgage premises by the borrower. Such credit must be fully explained and documented.</div><div>Any labor performed must be completed in a skillful and workmanlike manner to support the appraised value. A certification of completion (Form 442) must be obtained verifying the work has been completed. The full amount of the borrower’s down payment may be in the form of sweat equity or a combination of sweat equity and borrower personal funds. Sweat equity can also be used in combination with an Affordable Second.</div><table><tr><th>Property Type</th><th>Maximum Sweat Equity</th><th>Maximum LTV</th></tr><tr><td>1-unit residence</td><td>None</td><td>95%</td></tr><tr><td>2-4-unit residence</td><td>2% of the lesser of the purchase price or appraised value</td><td>Refer to LTV Matrix for maximum LTVs</td></tr></table><div><div>(A) Eligible repairs and improvements</div><div>Sweat equity is an eligible source of funds in connection with the following repairs and improvements:<div><div><div></div><div>All repairs and improvements to be completed by the borrower that are listed in the sales contract and included in the appraisal report</div></div><div><div></div><div>Repairs or improvements that are reflected on the appraisal report that are outstanding at the time of the appraisal. Credit for work completed prior to the original property inspection by the appraiser is not eligible for sweat equity.</div></div></div></div><div><div>(B) Determining the value of the sweat equity</div><div>The value of the sweat equity that may be used as an eligible source of funds equals the value of the labor performed plus the value of the materials furnished, documented as follows:<div><div><div></div><div>The value of the labor performed must be estimated by the appraiser or a cost estimating service and documented in the appraisal report or separately in the mortgage file; and</div></div><div><div></div><div>The value for materials furnished must either be estimated by the appraiser or a cost estimating service, or be calculated using receipts for the purchase of the materials. The estimates or costs as evidenced by receipts must be documented in the mortgage file.</div></div></div></div><div><div>(C) No cash out at closing</div><div>If sweat equity is used as an eligible source of funds, the borrower must not receive cash back at closing. All excess funds must result in a reduction of the principal balance on the mortgage.</div></div><div><div>(D) Special delivery requirements</div><div>See Freddie Mac Section 6302.14 for special delivery requirements for Home Possible Mortgages originated with sweat equity.</div></div></div></div></div>	Property Type	Maximum Sweat Equity	Maximum LTV	1-unit residence	None	95%	2-4-unit residence	2% of the lesser of the purchase price or appraised value	Refer to LTV Matrix for maximum LTVs
Property Type	Maximum Sweat Equity	Maximum LTV								
1-unit residence	None	95%								
2-4-unit residence	2% of the lesser of the purchase price or appraised value	Refer to LTV Matrix for maximum LTVs								

PROPERTY	
Property Types	<div>Eligible Properties</div> <ul style="list-style-type: none">1-unit properties, including units in condos and PUDsExisting structures and new constructionManufactured homes (must meet Freddie Mac requirements)2–4-unit properties

HOME POSSIBLE PRODUCT CODES									
<table><tr><th colspan="2">Home Possible</th></tr><tr><th>Conforming</th><th>High Balance</th></tr><tr><td>Home Possible Fixed 15 Year: HomeP-15FC-02</td><td>Home Possible Fixed High Balance 15 Year: HomeP-15FHB-02</td></tr><tr><td>Home Possible Fixed 30 Year: HomeP-30FC-02</td><td>Home Possible Fixed High Balance 30 Year: HomeP-30FHB-02</td></tr></table>		Home Possible		Conforming	High Balance	Home Possible Fixed 15 Year: HomeP-15FC-02	Home Possible Fixed High Balance 15 Year: HomeP-15FHB-02	Home Possible Fixed 30 Year: HomeP-30FC-02	Home Possible Fixed High Balance 30 Year: HomeP-30FHB-02
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