Freddie Mac HomePossible

10.27.26

Home Possible Primary Residence – Owner Occupied Purchase and Rate/Term Refinance - Conforming				
Property Type	**LTV**	**CLTV**	**FICO Score**	**DTI**
1 Unit	97%[1]	105%[1]	620 or MI	Per LPA & MI
2 Units	85%	95%	620 or Per MI	Per LPA & MI
3-4 Units (Fixed Rate)	85%	95%	620 or Per MI	Per LPA & MI
3-4 Units (5/1 ARM)	75%	75%	620	Per LPA

[1]: LTV > 95% requirements:

- Fixed Rate only
- 1 unit only. Manufactured housing not allowed.
- CLTV exceeding 97% is only eligible with an Affordable Second to a maximum of 105%.
- All borrowers must occupy the property.

Home Possible Primary Residence – Owner Occupied Purchase and Rate/Term Refinance – Super Conforming (Prior to April 12, 2026 ONLY)				
Property Type	**LTV**	**CLTV**	**FICO Score**	**DTI**
1 Unit	95%	95%	620 or MI	Per LPA & MI
2 Units	85%	85%	620 or Per MI	Per LPA & MI
3-4 Units (Fixed Rate)	80%	80%	620	Per LPA
3-4 Units (5/1 ARM)	75%	75%	620	Per LPA

Highlights:

- 620 Minimum FICO score.
- Borrowers without credit score – Not Allowed
- Manual Underwriting – Not Allowed
- Min loan amount $50,000.
- Temporary Buydowns – Not Allowed
- Non-Traditional Credit – Not Allowed
- Non-occupying co-borrowers – Not Allowed
- Second Home – Not Allowed
- Investment property – Not Allowed
- Cooperative – Not Allowed
- Manufactured Home – Not Allowed
- Texas 50(a)(6) transaction – Not Allowed
- Hawaii: Ineligible

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<table>
<tr><th colspan="2">PROGRAM DETAILS</th></tr>
<tr><th>Topic</th><th>Guideline</th></tr>
<tr><td>ATR and QM</td><td>All loans must meet the Ability to Repay (ATR) and Qualified Mortgage (QM) provisions of the Dodd- Frank Act.</td></tr>
<tr><td>Appraisal</td><td>

Per LPA
Appraisal Waivers allowed
Appraisal Form - Must be UAD compliant. All UCDP submissions on or after 11/2/2026 must be UAD 3.6 (URAR). UAD 2.6 legacy forms (1004, 1073, 1025) are acceptable only for submissions made prior to 11/2/2026.

</td></tr>
<tr><td>Assets</td><td>
Assets:

Assets used for down payment must be documented to show that they are from borrower's own funds. The loan application should provide an accurate reflection of the funds required from the borrower to close the transaction. The application must clearly state the source of the funds for down payment and closing costs, and cannot state other or any vague description. This applies to all loan applications.

Contributions and Reserves:

Borrower contribution requirements

<table>
<tr><th colspan="3">Minimum Contribution from Borrower Personal Funds*</th></tr>
<tr><td>Property Type</td><td>Home Possible Mortgages with LTV/CLTV <=80%</td><td>Home Possible Mortgages with LTV/CLTV >80%</td></tr>
<tr><td>1 to 2 Unit</td><td>None</td><td>None</td></tr>
<tr><td>2 to 4 Unit</td><td>None</td><td>3% of value</td></tr>
</table>
*Stated as percentage of value

Reserves

<table>
<tr><th colspan="3">Required Reserves</th></tr>
<tr><td>Property Type</td><td>Home Possible Mortgages</td><td>Home Possible Advantage Mortgages</td></tr>
<tr><td>1 Unit</td><td>None Required</td><td>None Required</td></tr>
<tr><td>2 to 4 Unit</td><td>2 Months</td><td>N/A</td></tr>
</table>
All reserves submitted to LP must be verified, regardless of LP feedback.
</td></tr>
<tr><td>AUS</td><td>

Loan Prospector – "LP Accept" only
Manual Underwriting – Not Allowed

</td></tr>
<tr><td>Borrower Eligibility</td><td>
Ineligible Borrowers:

Partnerships
Corporations
Guardianships
Life Estates
LLCs
Non-Revocable Inter Vivos Trusts
Foreign nationals
Borrowers with diplomatic immunity
Non-occupant borrowers on 2-4 unit properties

Social Security Number:

Each borrower on the loan transaction must have a valid Social Security number.
ITIN (IRS Tax Identification Numbers) are not allowed

</td></tr>
</table>

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Homebuyer Education	• Prior to the date of the Note, a minimum of 1 borrower on the loan must complete an approved homebuyer education program if all borrowers are first-time homebuyers. • For all other scenarios, participation is recommended but not required.
Income Limits	• Income may not exceed 80% of Area Median Income (AMI) for the property's location (this includes properties in low-income census tracts). • Refer to Freddie Mac's Home Possible Income and Property Eligibility Tool http://www.freddiemac.com/homepossible/eligibility_boa.html
Income to Debt Ratios	Per LPA
Loan Limits	The corresponding 2026 loan limit for a specific county can be found here FHFA Loan Limits
Homeownership Counselling	Requirements: • When all the Borrowers are First-Time Homebuyers for a purchase transaction Home Possible Mortgages, at least one qualifying Borrower must participate in a homeownership education program before the Note Date. • Homeownership education must not be provided by an interested party to the transaction. • Homeownership education programs may use different formats and require different lengths of time to complete. The following are acceptable: ○ Programs developed by HUD-approved counseling agencies, Housing Finance Agencies (HFAs) or Community Development Financial Institutions (CDFIs) ○ Homeownership education programs developed by mortgage insurance companies or other providers' programs that meet the standards of the National Industry Standards for Home ownership Education and Counseling. • As an alternative to the programs listed above, Freddie Mac's free financial literacy curriculum, CREDITSMART, meets the homeownership education requirements, provided: ○ The Borrower completes the on-line Credit Smart – Steps to Homeownership Tutorial, which includes Module 1 (Your Credit and Why It is Important), Module 2 (Managing Your Money), Module 7 (Thinking Like a Lender), Module 11 (Becoming a Homeowner), and Module 12 (Preserving Homeownership: Protecting Your Investment) ○ The financial literacy curriculum is not provided by an interested party to the transaction. Documentation • Provide a copy of the Homeownership Education Certification, or another document (such as the CreditSmart – Steps to Homeownership certificate of completion) containing comparable information. Landlord education (2 – 4 unit Primary Residences) • 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. Land lord education must not be provided by an interested party to the transaction. A copy of a certificate evidencing successful completion of the landlord education program is required. • Refinance Transactions – Landlord education is not required, however, is recommended for Borrowers who have not previously attended a program.
Mortgage Insurance	Fixed rate term ≤ 20 years • 80.01% - 85% LTV requires 6% coverage • 85.01% - 90% LTV requires 12% coverage • 90.01% - 97% LTV requires 25% coverage Fixed rate term > 20 years & ARMS • 80.01% - 85% LTV requires 12% coverage • 85.01% - 97% LTV requires 25% coverage ***No custom mortgage insurance allowed***

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Property Eligibility	Attached & detached SFR, 2-4 units, warrantable condos and PUD units, rural properties and modular homes
Refinances	All Refinance Mortgage requirements: • All borrowers must occupy the property as their primary residence • When an existing Mortgage will be satisfied as a result of a refinance transaction, one of the following requirements must be met: ○ At least one borrower is obligated on the new loan who was also a borrower obligated on the existing loan being refinanced. OR ○ The borrower has been on title, and residing in the property, for at least 12 months and has either paid the mortgage for the last 12 months or can demonstrate a relationship (relative, domestic partner, etc…) with the current obligor. OR ○ The borrower has recently inherited, or was legally awarded, the property (divorce, separation, or dissolution of a domestic partnership). Rate and Term requirements: A "no cash-out" refinance Mortgage, Rate and Term, is a mortgage for which the proceeds may be used only to: • Pay off the first Mortgage, regardless of its age • Pay related Closing Costs, Financing Costs, and Prepaids / Escrows
Rental Income	Rental Income: • Rental income from a 1 – unit Primary Residence may be considered as stable monthly income (as defined in Section 5301.1, of Freddie Mac Guidelines), when it meets the standard in section 5306.1 of Freddie Mac guidelines. • Connection with Borrower. The person providing the rental income and the Borrower: ○ Have resided together for at least one year ○ Will continue residing together in the new residence, and ○ The person providing the rental income provides 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) • Rental Payment. Rental income from the person residing in the Mortgage Premises: ○ Has been paid to the Borrower for the past 12 months on a regular basis ○ Can Be verified by the borrower with evidence showing receipt of regular payments of rental income to the Borrower for the past 12 months (i.e., copies of cancelled checks) ○ Does not exceed 30% of total income used to qualify for the Mortgage. • The Mortgage file must contain a written statement form the Borrower affirming: ○ The source of the rental income ○ 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. ○ Rental income, from a 2 – 4 Unit Primary Residence, may be considered as stable monthly income, when it meets the standards in section 5306.1 of Freddie Mac's guidelines. Refer to section 5306.1: Rental income, inside Freddie Mac Guidelines for further details.
Texas 50(a)(6)	Not Allowed
Freddie Mac Guidelines	For further information not covered here please proceed to Freddie Mac Guidelines. • Freddie Mac Guidelines Home Possible specific Freddie Mac information page. • Home Possible

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