

Freddie Mac's Home Possible® Mortgage

An Overview

November 2018

Genworth 



Agenda

In Today's Session We Will Cover Freddie Mac's Home Possible

- Overview and Benefits
- Website and Recent Bulletins
- General Eligibility of the Program
- Affordable Income and Property Eligibility tool
- Homebuyer Education Requirements
- Resources and Tools
- Genworth Mortgage Insurance Rate *Express*[®] and MI Guidelines

Home Possible Overview and Benefits



EFFECTIVE OCTOBER 29, 2018
Updated requirements announced in Single-Family Seller/Servicer Guide (Guide) Bulletin 2018-13.

Freddie Mac Home Possible® Mortgages

A responsible, low down payment mortgage option for first-time homebuyers and low- and moderate-income borrowers

Freddie Mac Home Possible® mortgages offer outstanding flexibility and options to meet a variety of borrowers' needs. With Home Possible, you'll capitalize on opportunities to meet the home financing needs of low- and moderate-income borrowers looking for low down payments and flexible sources of funds.

Borrower Profile Home Possible is designed to meet the needs of: <ul style="list-style-type: none">First-time homebuyers, move-up borrowers, and retirees.Families in low-income census tracts.Very low, low and moderate income borrowers.	Key Features <ul style="list-style-type: none">Purchase and no cash out refinancing.Maximum 97 percent LTV/TLTV. 105 percent TLTV with Affordable Second.¹Sweat equity allowed for the entire amount of down payment and closing costs.Mortgage insurance options.Loan Product Advisor® or manual underwriting.No reserves required for 1-unit properties for manually underwritten mortgages.Maximum credit fee in price of 1.5 percent, with no credit fee in price on many loans.	Borrower Benefits <ul style="list-style-type: none">Stable monthly payments with fixed-rate mortgages.Flexible sources of funds, including sweat equity for the entire down payment.Reduced mortgage insurance coverage levels for LTV ratios greater than 90 percent.Minimum down payment of 3 percent allowed.
---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

(Continues)

www.FreddieMac.com Publication Number 572
September 2018 The information in this document is not a replacement or substitute for information found in the Single-Family Seller/Servicer Guide and/or the terms of your Master Agreement and/or Master Commitment.



Origination and Underwriting Requirements

ELIGIBLE PROPERTY TYPES <ul style="list-style-type: none">1- to 4-unit propertiesCondosPUDManufactured homes (with additional requirements) See Guide Section 4501.6
ELIGIBLE OCCUPANCY TYPES <ul style="list-style-type: none">Owner occupied; primary residences only
ELIGIBLE MORTGAGES <ul style="list-style-type: none">First lien mortgages that are fully amortizing.Conventional, conforming mortgages – 97 percent maximum LTV/TLTV/HTLV.Super conforming mortgages originated according to Chapter 4603.Super conforming mortgages are permitted when the mortgage is submitted through Loan Product Advisor and receives an Accept risk class when having an LTV/TLTV/HTLV ratio less than or equal to 95 percent. A LTV ratio of less than or equal to 105 percent is permitted for mortgages with an Affordable Second.Home Possible mortgages not secured by manufactured homes must have an original maturity date not greater than 30 years. Home Possible mortgages secured by manufactured homes must not have an original maturity date greater than what is specified in Section 5703.3(d).5/5, 5/1, 7/1 and 10/1 ARMs; Manufactured homes not eligible for 5/1 or 5/5 ARMs.Construction conversion and renovation mortgages originated according to Guide Chapter 4602.Mortgages with an RHS Leveraged Second originated according to Guide Section 4205.2.
TEMPORARY SUBSIDY BUYDOWNS <ul style="list-style-type: none">Allowed for mortgages secured by 1- to 2-unit properties, other than manufactured homes (See Guide Sections 4501.5 and 4204.4).If a mortgage with a temporary subsidy buydown plan is subject to secondary financing, including an Affordable Second that requires repayment to begin before the due date of the 61st monthly payment under the Home Possible mortgage, the secondary financing must have a fixed interest rate.

file:///C:/Users/213029011/Documents/home_possible_factsheet%20Effective%2010-29-2018.pdf

Bulletin 2018-13

Selling Updates

- Consolidation of Home Possible and Home Possible Advantage® into a single offering, effective October 29, 2018
- Our presentation today presents the updated Home Possible Program and updated changes



Bulletin

TO: Freddie Mac Sellers

August 29, 2018 | 2018-13

SUBJECT: SELLING UPDATES

This Guide Bulletin announces:

Home Possible® Mortgages

- Enhanced credit flexibilities and simplified [Home Possible® Mortgage](#) requirements through the consolidation of Home Possible and Home Possible Advantage® into a single offering – October 29, 2018

Mortgage eligibility and credit underwriting

- Updates to our payment calculation requirements for [student loans](#) – November 1, 2018
- Flexibilities to our cash back requirements for ["no cash-out" refinance Mortgages](#) – October 27, 2018
- Updates to the time frame for evaluating [inquiries on the credit report](#) – September 9, 2018
- Removal of special delivery requirements for Mortgages with Borrower [income commencing after the Note Date](#)
- An extension of the effective date for [rental income requirements](#), announced in Bulletins 2017-12 and 2018-1 – March 1, 2019

Guide Form 71, Market Conditions Addendum to the Appraisal Report

- The deletion of the requirement that [Form 71](#) be provided with all appraisal reports

Condominium Project insurance

- Updates to our [property, flood, liability and fidelity or employee dishonesty insurance requirements](#)
- An increase to the allowable [deductible for Condominium Projects](#)

Additional Guide updates

- Further updates as described in the [Additional Guide Updates](#) section of this Bulletin

EFFECTIVE DATE

All of the changes announced in this Bulletin are effective immediately unless otherwise noted.

HOME POSSIBLE MORTGAGES

Effective October 29, 2018

In response to Seller feedback, we evaluated our requirements for Home Possible and Home Possible Advantage Mortgages and are combining Home Possible and Home Possible Advantage into one offering in an effort to better help Sellers originate Home Possible Mortgages.

The revised Home Possible Mortgage offering will:

- Provide Sellers with ease of use and operational efficiencies by eliminating the need to maintain two separate offerings

Home Possible Website



Single-Family Business



Single-Family

Become a Freddie Mac Seller/Servicer

Originate and Underwrite

Sell and Deliver

Affordable Lending

Loan Advisor Suite

Duty to Serve

Uniform Mortgage Data Program (UMDP)

• Mortgage Products

Home Possible Income & Property Eligibility

Servicing

The Guide and Forms

Single-Family News Center

Home Possible® Mortgage

Updated Home Possible Offering

We've added credit flexibilities and simplified Home Possible® mortgage requirements by consolidating Home Possible and Home Possible Advantage® into a single offering. See more about the changes in *Single-Family Seller/Servicer Guide (Guide) Bulletin 2018-13* [PDF]. Check out updated mortgage highlights on this page.

[Frequently Asked Questions](#)

Maximum Financing and Flexibility - Three Percent Down Payment Solution with Expanded Options

The Freddie Mac Home Possible® mortgage offers more options and credit flexibilities than ever before to help your very low- to moderate-income borrowers attain the dream of owning a home.

In addition to its down payment requirement of as little as 3 percent, Home Possible now offers more options to responsibly increase homeownership for more of your borrowers. Do-it-yourselfers can apply sweat equity to assist in meeting their down payment and closing costs, co-borrowers who do not live in the home can be included for a borrower's one-unit residence, borrowers are permitted to own other properties, and more – all with competitive pricing and the ease of a conventional mortgage.

Home Possible Income & Property Eligibility Tool

Freddie Mac's map-based Home Possible Income & Property Eligibility tool makes it easy to determine if your borrower meets the income requirements for a Freddie Mac Home Possible mortgage.

Recognizing Those Who Make Home Possible



Home Possible RISE Awards™



<http://www.freddiemac.com/homepossible/>

Freddie Mac's Home Possible Mortgages

Maximum LTV/TLTV/HTLTV

- Underwriting Path: May be submitted to Loan Product Advisor® or manually underwritten (except manufactured)
- Follow guidelines that apply based on the type of underwrite you are doing (manual or using Loan Product Advisor as they can differ)

MAXIMUM LTV/TLTV/LTV RATIOS (PURCHASE AND NO CASH-OUT REFINANCE TRANSACTIONS)			
Property Type	Maximum LTV	Maximum TLTV	Maximum HTLTV
Fixed Rate Mortgages			
1-unit*	97%	105%**	97%**
2- to 4-unit	95%	95%	95%
5/5, 5/1, 7/1 and 10/1 ARMs			
1 and 2-unit	95%	95%	95%
3 and 4-unit	75%	75%	75%
Manufactured homes	See Guide Chapter 5703		

* Super conforming mortgages secured by 1-unit properties must have LTV, TLTV and HTLTV ratios not exceeding 95 percent. A 105 percent TLTV ratio is permitted when secondary financing is an Affordable Second.

** When the TLTV ratio exceeds 97 percent, the secondary financing subordinated to a Home Possible mortgage must be an Affordable Second. The Affordable Second financing cannot be a Home Equity Line of Credit (HELOC).

See Section 4501.7 for additional LTV/TLTV/HTLTV ratio requirements for Home Possible mortgages with non-occupying borrowers.

Freddie Mac's Home Possible Mortgages

Eligible Mortgages*

ELIGIBLE MORTGAGES

- First lien mortgages that are fully amortizing.
- Conventional, conforming mortgages – 97 percent maximum LTV/TLTV/HTLTV.
- Super conforming mortgages originated according to Chapter 4603.
- Super conforming mortgages are permitted when the mortgage is submitted through Loan Product Advisor and receives an Accept risk class when having an LTV/TLTV/HTLTV ratio less than or equal to 95 percent. A TLTV ratio of less than or equal to 105 percent is permitted for mortgages with an Affordable Second.
- Home Possible mortgages not secured by manufactured homes must have an original maturity date not greater than 30 years. Home Possible mortgages secured by manufactured homes must not have an original maturity date greater than what is specified in Section 5703.3(d).
- 5/5, 5/1, 7/1 and 10/1 ARMs; Manufactured homes not eligible for 5/1 or 5/5 ARMs.
- Construction conversion and renovation mortgages originated according to Guide Chapter 4602.
- Mortgages with an RHS Leveraged Second originated according to Guide Section 4205.2.

*See Freddie Mac Seller/Servicer Guide for list of Ineligible Mortgages

Freddie Mac's Home Possible Mortgages

Eligible Property Types

ELIGIBLE PROPERTY TYPES

- 1- to 4-unit properties
- Condos
- PUD
- Manufactured homes (with additional requirements)
See Guide Section 4501.6

Freddie Mac's Home Possible Mortgages

Property Ownership: Permits ownership of other property without restrictions.

Freddie Mac's Home Possible Mortgages

Minimum Borrower Contribution

MINIMUM BORROWER CONTRIBUTION AND RESERVES			
Minimum Contribution from Borrower Personal Funds (Purchase transactions only)			
Property Type	Home Possible LTV/TLTV and HTLTV ratios <= 80%	Home Possible LTV/TLTV/HTLTV ratios >80% <= 95%	Home Possible mortgages with LTV/TLTV/HTLTV ratios >95%
1-unit	None	None	None
2- to 4-unit	None	3% of value	N/A
Manufactured home	None	None	N/A

Freddie Mac's Home Possible Mortgages

Permitted Source of Funds

PERMITTED SOURCES OF FUNDS	
Use	Permitted Sources of Funds
Minimum borrower contribution	<ul style="list-style-type: none">Borrower personal funds, as described in Section 5501.3(b)
Down payment (difference between the purchase price and the first lien amount)	<ul style="list-style-type: none">Borrower personal fundsOther eligible sources of funds, including sweat equity as described in Section 4501.10
Additional equity, if needed for a no-cash-out refinance transaction	<ul style="list-style-type: none">Borrower personal fundsOther eligible sources of funds
Closing costs, financing costs, prepays/escrows	<ul style="list-style-type: none">Borrower personal fundsOther eligible sources of funds, including sweat equityFlexible sources of funds
Reserves	<ul style="list-style-type: none">Borrower personal fundsOther eligible sources of funds, including funds described in Section 5501.3(c)

Updates - Bulletin 2017-11

- Allows for gifts or grants from the Seller or originating lender ONLY after a contribution of 3% is made from the borrower's personal funds or from other eligible sources of funds as described in the Guide.
- Gifts or grants from the Seller must NOT be funded through the Mortgage transaction, including differential pricing in rate, discount points, or fees for individual loans or across the Home Possible offering.
- See specific ULDD delivery requirements when using Lender gifts.
- Policy effective for loans with settlement dates on or after **November 1, 2017**



Bulletin

TO: Freddie Mac Sellers July 26, 2017 | 2017-11

SUBJECT: LENDER GIFTS AND GRANTS AND AGENCY-PROVIDED FUNDS

Freddie Mac remains committed to working with our Sellers and the industry to provide responsible and sustainable solutions that help make homeownership accessible to more Borrowers who have limited funds. To support our commitment to continue to provide responsible financing options, we are changing our requirements for lender gifts and grants for Home Possible® Mortgages and funds provided by an Agency.

EFFECTIVE DATE

All of the changes announced in this Bulletin are effective for Mortgages with Settlement Dates on and after November 1, 2017, unless otherwise noted.

Lender gifts and grants for Home Possible Mortgages

As announced in our July 6, 2017 Industry Letter, we are changing our requirements for Home Possible Mortgages, including Home Possible Advantage® Mortgages.

We are revising our requirements to state that gifts or grants from the Seller as the originating lender will be permitted only after a contribution of at least 3% of value (i.e., the lesser of the appraised value or the purchase price) is made from Borrower personal funds and/or other eligible sources of funds as described in Guide Section 4501.10(c). Gifts or grants from the Seller must not be funded through the Mortgage transaction, including differential pricing in rate, discount points, or fees for individual loans or across the Home Possible offering.

Delivery requirements

In conjunction with this change, we reviewed our existing delivery requirements for Home Possible Mortgages originated with gifts and grants from the Seller as the originating lender. **Effective immediately**, we are clarifying the delivery requirements in Section 6302.14 for Home Possible Mortgages originated with gifts and grants from the Seller as the originating lender. Sellers must enter the valid value of "Borrower" for ULDD Data Point, Down Payment Source Type (Sort ID 173), and "Gift Funds" for ULDD Data Point, Down Payment Type (Sort ID 175).

As a reminder, Sellers should note that the valid value of "Originating Lender" for ULDD Data Point, Down Payment Source Type (Sort ID 173), and "Grant" for ULDD Data Points, Down Payment Type/Down Payment Type Other Description (Sort IDs 175/176), were added to the Uniform Loan Delivery Dataset (ULDD) Appendix A, *Freddie Mac XML Data Requirements V.4.0.2*, published on December 13, 2016. The Selling System® will be updated to accept these valid values by February 26, 2018.

Sellers may begin delivering the new valid values (in lieu of the valid values of "Borrower" for ULDD Data Point, Down Payment Source Type (Sort ID 173), and "Gift Funds" for ULDD Data Point, Down Payment Type (Sort ID 175)) once the Selling System has been updated, and will be required to do so on and after the ULDD Phase 3 mandate in May 2019.

Lender Gifts And Grants Policy Applies To Home Possible Loans Only

Freddie Mac's Home Possible Mortgages

Minimum Required Reserves

Minimum Reserves	
Property Type	Home Possible
1-unit	As defined by Loan Product Advisor – none if manually underwritten
2- to 4-unit	As defined by Loan Product Advisor – two months if manually underwritten

Freddie Mac's Home Possible Mortgages

Secondary Financing*

SECONDARY FINANCING

- Any secondary financing that meets Freddie Mac requirements is allowed, including HELOCs, with a TLTV/HTLTV ratio less than or equal to 97 percent.
- An Affordable Second that does not require a payment before the due date of the 61st payment may be entered in Loan Product Advisor in the "Total Gift Fund" field. In all other respects, the Affordable Second must be considered as secondary financing.

*

*When the TLTV ratio exceeds 97% (95% for Super Conforming Mortgages) the secondary financing subordinated to a Home Possible Mortgage must be an Affordable Second. The Affordable Second financing cannot be a Home Equity Line of Credit (HELOC).

Affordable Seconds Checklist

Freddie Mac



Affordable Seconds® Guidelines

Expand access to credit for your qualified borrowers with Affordable Seconds®. Use the checklist below to help you determine if an Affordable Second is eligible as secondary financing behind your borrower's first lien mortgage.

If each of the statements below is true, and the borrower's first mortgage meets Freddie Mac's criteria and underwriting guidelines, the Affordable Second may be eligible as a secondary financing. For complete requirements and steps on how to underwrite a mortgage with an Affordable Second, refer to Single-Family Seller/Servicer Guide (Guide) Section 4202.2.

Checklist – Check off the true statements: 

- The source of the secondary financing is a duly authorized authority or agency of the federal, state, local or municipal government; a nonprofit community or religious organization other than a credit union; the borrower's employer; or a regional Federal Home Loan Bank under one of its affordable housing programs.
- The source of the secondary financing is not the property seller or another interested party to the transaction.
- The total loan-to-value (TLTV) ratio for the first lien and the secondary financing does not exceed 95 percent (105 percent for Home Possible Advantage first liens).
- The proceeds from the secondary financing will be used for down payment assistance and/or payment of closing costs.
- The secondary financing will not result in a priority lien.
- The secondary financing is used with a first lien mortgage that meets the following requirements:
 - Fixed-rate mortgage or an ARM with an initial fixed-rate period of five years or greater.
 - Purchase transaction or a "no cash-out" refinance.
 - One- to 4-unit primary residence.

©2010 Freddie Mac. All rights reserved.

www.FreddieMac.com

The information in this document is not a replacement or substitute for information found in the Single Family Seller/Servicer Guide and/or the terms of your Master Agreement and/or Master Commitment.
Page No. 103 | March 2010

Checklist – Check off the true statements: 

- The interest rate on the secondary financing is not more than 2 percent higher than the rate of the first mortgage.
- The terms of the secondary financing do not require a balloon payment before the maturity or payment in full of the first lien mortgage.
- The secondary financing is not a Home Equity Line of Credit.
- The secondary financing's interest accruals that are added to the principal do not increase the TLTV ratio beyond the maximum TLTV ratio allowed for the first lien mortgage at any time during the term of the first lien mortgage.

More Information

Freddie Mac Guide Section 4202.2, Special Requirements for Affordable Seconds.
[Affordable Lending Sources](http://FreddieMac.com/homepossible/hp.html) (FreddieMac.com/homepossible/hp.html).

www.FreddieMac.com

The information in this document is not a replacement or substitute for information found in the Single Family Seller/Servicer Guide and/or the terms of your Master Agreement and/or Master Commitment.

http://www.freddiemac.com/singlefamily/purchasemarket/docs/affordable_seconds_guidelines_factsheet.pdf

Freddie Mac's Home Possible Mortgages

Home Possible Qualifying Ratios:

- Loan Product Advisor calculates and evaluates the Borrower's qualifying ratios. For Accept Mortgages and A-Minus Mortgages, Loan Product Advisor has determined that the Borrower's qualifying ratios are acceptable.
- For Manually Underwritten Mortgages, as a guideline, the monthly housing expense should not be greater than 25% to 28% of the Borrower's stable monthly income and the total debt to income or DTI should not exceed 33% to 36%. You may exceed the monthly housing expense ratio and/or DTI ratio **ONLY** on an exception basis with an offset* or documented justification in the Mortgage file.
- When the Borrower's monthly DTI exceeds 45%, the loan is ineligible for sale to Freddie Mac (under a manual underwrite)

*See Freddie Mac Seller/Servicer guide for examples

Freddie Mac's Home Possible Mortgages

Eligible Borrowers

- At least one borrower must occupy the mortgage premises as a primary residence
- **Non-occupying borrowers are permitted, provided that:**
 - The LTV/TLTV/HTLTV does not exceed 95% for Loan Product Advisor Mortgages, except for fixed-rate Mortgages with Affordable Seconds, the TLTV ratio must not exceed 105%
 - 90% for Manually Underwritten Mortgages, except that for fixed-rate Mortgages with Affordable Seconds, the TLTV ratio must not exceed 105%
- **For Manually Underwritten Mortgages with non-occupying borrowers, the occupant Borrower's:**
 - Monthly housing expense ratio should not exceed 35% of the occupant borrower's stable monthly income; and
 - Monthly DTI ratio must not exceed 43% of the occupant borrower's stable monthly income
 - Funds used to qualify for the mortgage may come from the occupying and/or the non-occupying borrower

Freddie Mac's Home Possible Mortgages

Home Possible Income Limits

- The Borrower's qualifying income converted to an annual basis must not exceed 100% of the area median income (AMI) for the location of the Mortgaged Premises. There is no income limit if the Mortgaged Premises is located in a low-income census tract, which is a census tract where the median tract income is at or below 80% of the AMI. To determine whether the Borrower's income exceeds the income limits, the Seller must rely on the income used to qualify the Borrower and submitted to Loan Product Advisor for Loan Product Advisor Mortgages.
- For Loan Product Advisor Mortgages, Loan Product Advisor will determine the income eligibility of the Mortgage; for Non-Loan Product Advisor Mortgages, the Seller must use the Home Possible Income and Property Eligibility tool. The Seller may NOT use other published AMI versions to determine Mortgage or product eligibility.

Bulletin 2017-26



Freddie Mac

TO: Freddie Mac Sellers

SUBJECT: SELLING UPDATES

This Guide Bulletin announces:

Updated Policy!

Bulletin

November 15, 2017 | 2017-26

Home Possible Mortgages: Borrower income and eligibility

Based on Seller feedback, we have reviewed our requirements for Borrower eligibility for Home Possible Mortgages and are removing the requirement that all income reported on the application must be verified. The Seller must use income used to qualify the Borrower to establish that the income limits are not exceeded. This change simplifies our requirements by aligning the treatment of Home Possible Mortgages, as it relates to verification of income, with Freddie Mac requirements for other types of Mortgages.

Guide impacts: Sections 4501.7, 4501.9 and 5101.6

— MARCH 15, 2018 (NEW)

Additional Guide updates

- Further updates as described in the [Additional Guide Updates](#) section of this Bulletin

4501.7: Eligible Borrowers for Home Possible® Mortgages (10/29/18)

(a) Income limits

The Borrower's qualifying income converted to an annual basis must not exceed 100% of the area median income (AMI) for the location of the Mortgaged Premises. There is no income limit if the Mortgaged Premises is located in a low-income census tract, which is a census tract where the median tract income is at or below 80% of the AMI. To determine whether the Borrower's income exceeds the income limits, the Seller must rely on the income used to qualify the Borrower and submitted to Loan Product Advisor® for Loan Product Advisor Mortgages.

For Loan Product Advisor® Mortgages, Loan Product Advisor will determine the income eligibility of the Mortgage; for Non-Loan Product Advisor Mortgages, the Seller must use the [Home Possible® Income & Property Eligibility tool](#). The Seller may not use other published AMI versions (such as AMIs posted on <https://www.huduser.gov/portal/home.html>) to determine Mortgage or product eligibility.

Mortgages to add 5-year ARMs (5/5 ARMs) as eligible for purchase.

As a reminder, all 5-year ARMs are eligible for sale only under the WAC ARM Guarantor Program; they are not eligible under WAC AMI Cash. If a Seller is not already set up to sell us 5-year ARMs, it must contact its

2. Do I need to verify all borrower income if the borrower doesn't need all of their income to qualify for a Home Possible® mortgage?

We are revising the names of the following eligible ARM products:

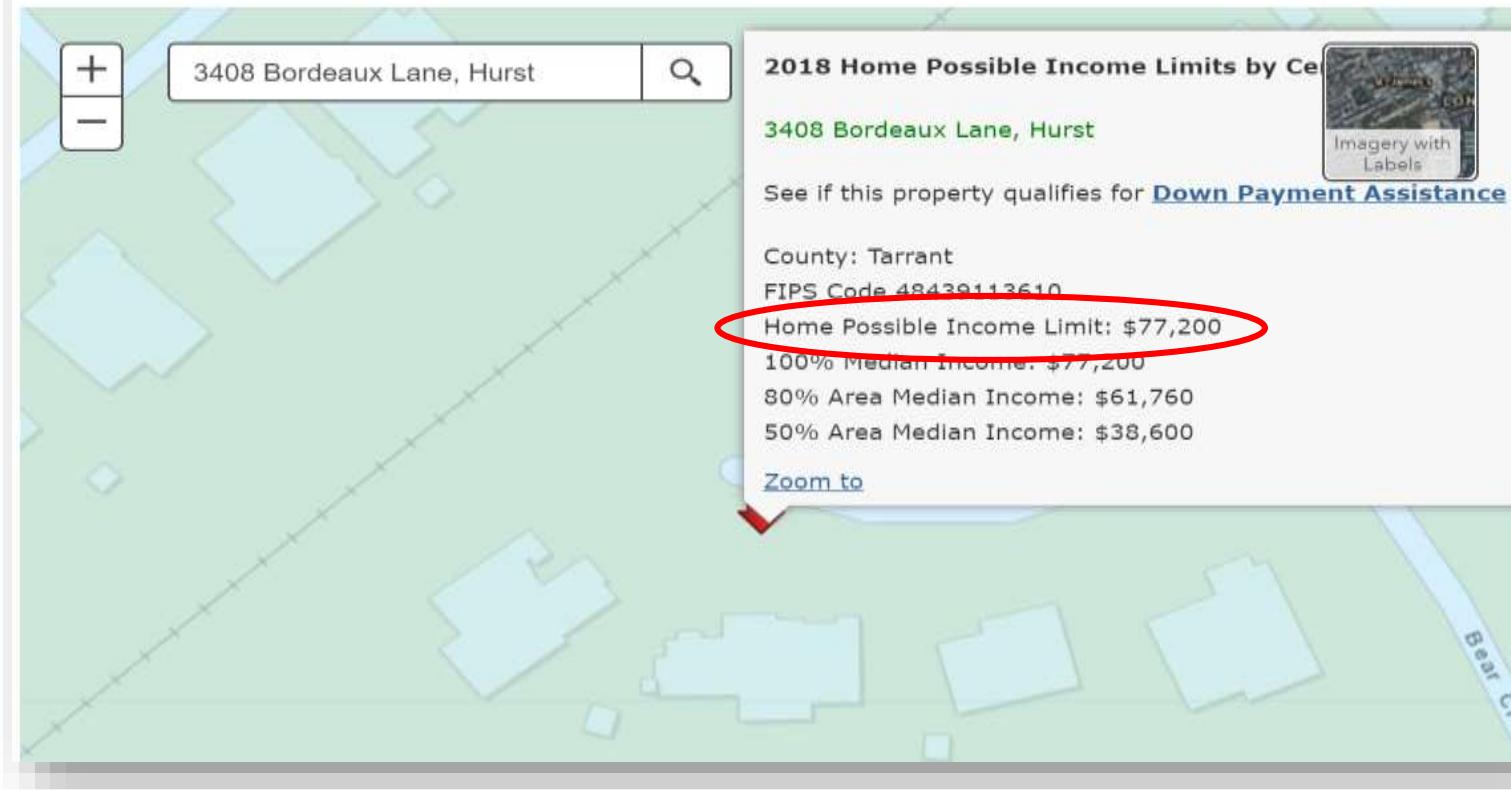
No, you only need to verify a borrower's qualifying income. Take a brief [tutorial](#) on income requirements for Home Possible mortgages for more information.

Income and Property Eligibility

Home Possible Income & Property Eligibility

For best results, enter the complete property street address to see if a borrower can qualify for a Freddie Mac Home Possible® mortgage based on the property location and the borrowers' qualifying income.

Note: Search by County or Zip will return results for the most centrally located address. These results may not be the same as the relevant property.



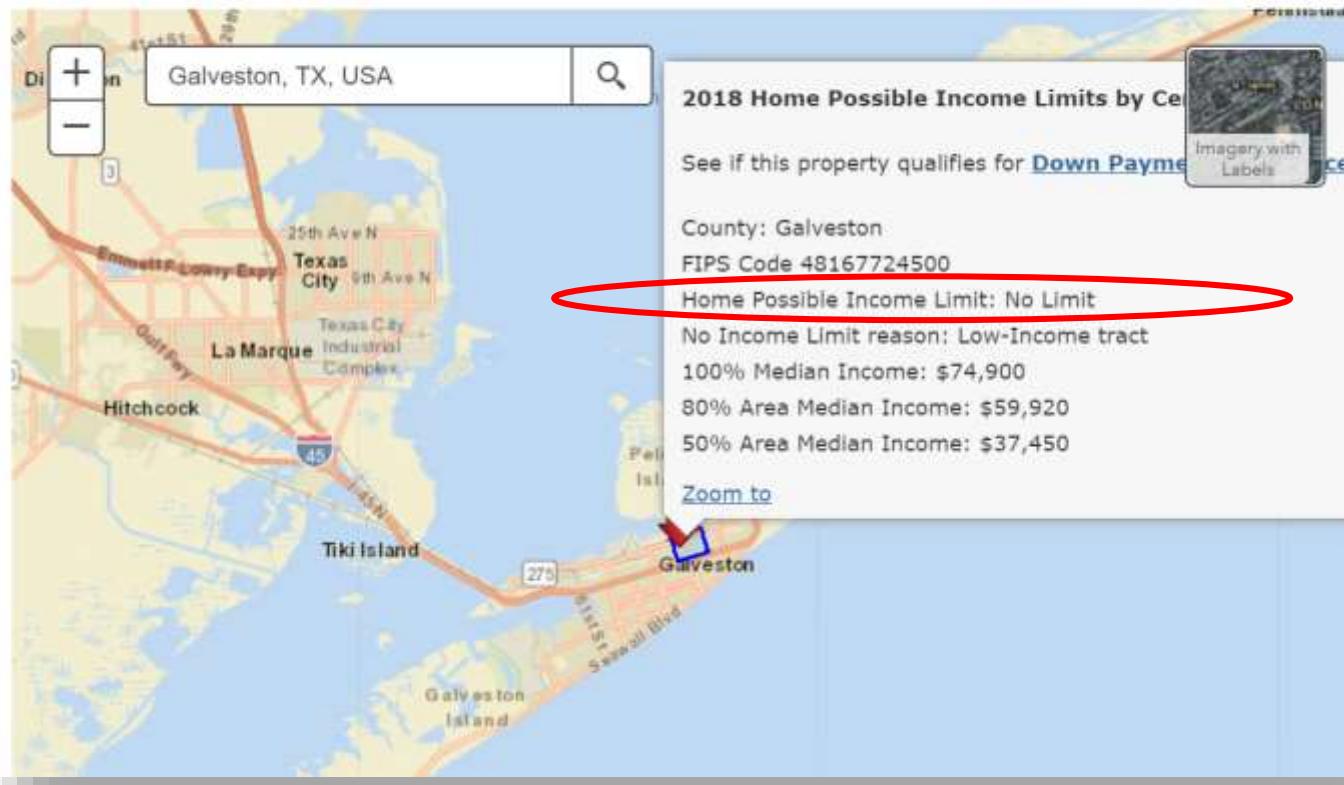
<http://www.freddiemac.com/homepossible/eligibility.html>

Check A Loan You Have In Your Pipeline

Home Possible Income & Property Eligibility

For best results, enter the complete property street address to see if a borrower can qualify for a Freddie Mac Home Possible® mortgage based on the property location and the borrowers' qualifying income.

Note: Search by County or Zip will return results for the most centrally located address. These results may not be the same as the relevant property.



Freddie Mac's Home Possible Mortgages

Minimum Credit Score Requirements

CREDIT UNDERWRITING (LOAN PRODUCT ADVISOR)

- A borrower's credit reputation is acceptable if the Home Possible mortgage receives a risk class of Accept.
- Borrowers without credit scores may be underwritten for up to 95 percent LTV using Loan Product Advisor.
- A Home Possible mortgage secured by a manufactured home must be submitted to Loan Product Advisor. See Guide Section 4501.8 for additional requirements.
- Use Loan Product Advisor Offering Identifier Code "241" for Home Possible Mortgages.
- A Home Possible mortgage that is a super conforming mortgage must be submitted to Loan Product Advisor and receive a risk class of Accept.

CREDIT UNDERWRITING (MANUALLY UNDERWRITTEN MORTGAGES)

The minimum Indicator Scores for manually underwritten mortgages are:

Property/Mortgage Type	Minimum Indicator Score
Home Possible	
1-unit fixed rate mortgages (except a Manufactured Home) that are purchase transactions	660
1-unit (except a Manufactured Home) that is an ARM or a no cash out refinance mortgage	680
2- and 4-unit	700
Manufactured home	720

See Guide Section 4501.8 (b) for additional underwriting requirements for manually underwritten mortgages.

Borrowers Without A Credit Score

Home Possible Only

Eligibility Requirements	
To be eligible when no borrower has a credit score, the mortgage:	To be eligible when not all borrowers have a credit score, the mortgage:
Must be a purchase or a "no cash-out" refinance mortgage	Must be a purchase or a "no cash-out" refinance mortgage
Must be secured by a 1-unit property and all borrowers must occupy the property as their primary residence	Must be secured by a 1-unit property and all borrowers must occupy the property as their primary residence
Loan-to-value (LTV), total LTV (TLTV) and Home Equity Line of Credit (HELOC) TLTV (HTLTV) ratios must not exceed 95%	
Must be a fixed-rate mortgage	
Must not be: <ul style="list-style-type: none">○ A mortgage secured by a manufactured home○ A super-conforming mortgage	
If a transaction does not meet the above requirements, Loan Product Advisor will return an incomplete message(s).	

Borrowers Without A Credit Score

Home Possible Only

Additional Requirements for Accept Mortgages	
<p>When no borrower has a credit score, for Accept mortgages, the mortgage meets the following additional requirements:</p>	<p>When not all borrowers have a credit score, for Accept mortgages, the Seller must determine that the mortgage meets the following additional requirements:</p>
<p>Each borrower must have at least two payment references in the Payment References and/or tradelines not appearing on the credit report. If the Borrower without a usable Credit Score contributes 50% or more of the total monthly income, then each Borrower without a usable Credit Score must meet the same credit history requirements that apply to Accept and A-minus Mortgages when no Borrower on the Mortgage has a Credit Score (e.g., at least two payment references).</p> <ul style="list-style-type: none">• Each payment reference must be for at least the most recent 12 months.• At least one borrower must have a housing payment history.◦ In the event more than one borrower has a housing payment history, then all such housing payment histories for the most recent 12 months (or length of housing payment history if less than 12 months) must be verified.◦ All housing payment histories must have no 30-day or greater delinquencies in the most recent 12 months. <ul style="list-style-type: none">• For all payment references other than housing, only one payment reference may have one 30-day delinquency and no 60-day or greater delinquencies in the most recent 12 months; all other payment references must have no 30-day or greater delinquencies in the most recent 12 months.• Each payment reference must:<ul style="list-style-type: none">◦ Meet the requirements for written verifications in Guide Section 5102.3,◦ Meet the age of documentation requirements in Guide Section 5102.4, and◦ Be documented in accordance with Guide Section 5202.2(b).	
<p>Each borrower must have no collections (other than medical), judgments or tax liens filed in the most recent 24 months.</p>	<p>The Loan Product Advisor Feedback Certificate will include a feedback message to indicate when these requirements must be met.</p>
<p>When the credit reputation for all borrowers is established using only Noncredit Payment References, then 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.</p>	
<p>The Loan Product Advisor Feedback Certificate will include a feedback message to indicate when these requirements must be met.</p>	

Freddie Mac's Home Possible Mortgages

Additional Special Underwriting Requirements

ADDITIONAL SPECIAL UNDERWRITING REQUIREMENTS

- Rental income from a 1-unit primary residence that meets the requirements of Guide Section 4501.9(a) may be considered as stable monthly income.
- Rental income from a 2- to 4-unit primary residence that meets Guide Chapter 5306 may be used as qualifying income.

Freddie Mac's Home Possible Mortgages

Loan Product Advisor Entry: Use Offering Identifier Code "241" or Select Home Possible in your LOS

Mortgage Type and Loan Terms subsection:

Offering Identifier

- Home Possible
- Home Possible Advantage
- Home Possible Advantage for HFAs (eligible users only)
- Relief Refinance - Open Access

Loan Application Data

Borrower: BORROWER 1 TESTCASE
Loan App #: 123456789
Loan Prospector ID: L95834002
Transaction ID: T519777944

<< Previous Save Submit Next >>

Fields marked with an asterisk are always required.

Mortgage Type and Loan Terms

Mortgage Type * Amortization Months *

Base Loan Amount * (excludes PMI, MIP, funding fee financed) 5

PMI, MIP, Funding Fee Financed 5

Loan Amount 5

Interest Rate * 5

Amortization Type *
Balloon Term (complete only if loan is a balloon)
Loan Priority *
Offering Identifier

Temporary Subsidy Buydown?
Yes No

Mortgage Insurance Requirements

Reduced MI coverage required for 95% and 97% LTV loans - 25% coverage required

MORTGAGE INSURANCE REQUIREMENTS

The standard required or custom MI coverage levels for Home Possible mortgages are as follows:

Transaction type	MI coverage	LTV Ratio			
		>80% & ≤85%	>85% & ≤90%	>90% & ≤95%	>95% & ≤97%
Home Possible, fixed-rate, term < 20 years	Standard	6%	12%	25%	25%
	Custom	N/A	N/A	16%	18%
Home Possible, fixed-rate, term > 20 years; ARMs; and manufactured homes ¹	Standard	12%	25% 	25% 	25%
	Custom	6%	12%	16%	18%

¹ Manufactured homes are limited to maximum LTV ratios of 95 percent.

- Seller must obtain Freddie Mac's approval to sell mortgages with annual or monthly premium lender-paid mortgage insurance to Freddie Mac. If custom MI is chosen the custom MI fee applies.
- See Guide Section 4701.1 for additional MI requirements and options including custom MI.

Pricing Updates

Product Benefit

- Delivery Fees are ZERO for loans with credit scores of 680 and above with an LTV > or = to 80%
- All other loans capped at 1.50%
- Effective for Home Possible Loans with settlement dates on or after July 1, 2016



Bulletin

TO: Freddie Mac Sellers

December 9, 2015 | 2015-21

SUBJECT: HOME POSSIBLE® MORTGAGES AND MANUFACTURED HOUSING

(In response to customer feedback, we are reissuing Bulletin 2015-21 on December 18, 2015 to delay the effective dates for all changes with the exception of the sections in the "Mortgages secured by Manufactured Homes" section that reflect an effective date of January 4, 2016. Additionally, we are revising the section titled "Loan Prospector® updates.")



Bulletin

TO: Freddie Mac Sellers

May 4, 2016 | 2016-8

SUBJECT: HOME POSSIBLE® MORTGAGE DELIVERY FEE CAP STRUCTURE

This Guide Bulletin announces updates to the postsettlement delivery fee ("delivery fee") cap structure for Home Possible and Home Possible Advantage® Mortgages (collectively referred to as "Home Possible Mortgages"), announced in Bulletin 2015-21.

In response to Seller feedback regarding challenges in implementing the previously announced delivery fee cap structure, and to expand affordability to more Borrowers, we are simplifying and broadening the application of the delivery fee cap structure. We are doing so by removing the delivery fee cap eligibility requirements based on area median income (AMI) or the location of the Mortgaged Premises in an Underserved Area.

Effective for Home Possible Mortgages with Settlement Dates on or after July 1, 2016, the delivery fee cap structure will apply to all Home Possible Mortgages as reflected in the following table:

HOME POSSIBLE AND HOME POSSIBLE ADVANTAGE MORTGAGES DELIVERY FEE CAP Effective for Settlement Dates on or after July 1, 2016			
Product	LTV Ratios	Credit Score	Cap
All Eligible Product	> 80%	≥ 680	0.00%
		< 680	1.50%
	≤ 80%	All	1.50%

While eligibility for the delivery fee cap structure will no longer be determined based on delivery of Investor Certificate Identifier (ICI) 120, Sellers must deliver ICI 120 when income used to qualify the Borrower is used to

HOME POSSIBLE AND HOME POSSIBLE ADVANTAGE MORTGAGES DELIVERY FEE CAP ²³ Effective for Settlement Dates on or after July 1, 2016			
Product	LTV Ratios	Credit Score	Cap
All Eligible Product	> 80%	≥ 680	0.00%
		< 680	1.50%
	≤ 80%	All	1.50%

²³ All applicable delivery fees are subject to the Home Possible and Home Possible Advantage delivery fee cap with the exception of the custom mortgage insurance delivery fee, which will be added to the delivery fee cap.

Freddie Mac Postsettlement Delivery Fees



Exhibit 19 Credit Fees in Price

- Credit Fees in Price for Mortgages with Special Attributes** – This Credit Fee in Price Matrix sets forth the Credit Fee in Price amounts and/or Credit Fee in Price rates and credits applicable to certain Mortgages that, because of the type of mortgage product, loan purpose, Mortgaged Premises or other attributes (the “special attributes”), are subject to a Credit Fee in Price or receive a credit for a Credit Fee in Price pursuant to the provisions of the Guide. This Credit Fee in Price Matrix also sets forth a maximum total amount that may be assessed on certain Mortgages, such maximum total amount otherwise referred to as a “cap.”
- Credit Fees in Price are Cumulative** – A particular Mortgage that has various special attributes may be subject to more than one Credit Fee in Price. The cumulative Credit Fees in Price applicable to such a Mortgage will be the sum of the Credit Fees in Price required with respect to each of the special attributes of the Mortgage.
- Payment of Credit Fees in Price and application of credits for Credit Fees in Price** – Credit Fees in Price are paid and credits for Credit Fees in Price are applied in accordance with the provisions in Chapter 6303 of the Guide. However, for Mortgages sold through Loan Selling AdvisorSM under the Cash Program, Credit Fees in Price and credits for Credit Fees in Price will be netted from the proceeds due to the Seller at funding.
- Mortgage Eligibility** – Sellers should review the Guide and their other Purchase Documents to determine the eligibility of Mortgages with specific special attributes for which a Credit Fee in Price rate, a credit for a Credit Fee in Price, or a Fee Cap is shown on this exhibit.

TABLE OF CONTENTS

Adjustable Rate Mortgages.....	7	Home Possible Mortgages Cap	2
Cash-Out Refinance Mortgages Indicator Score / Loan-to-Value.....	7	Indicator Score / Loan-to-Value.....	4-5
Condominium Unit Mortgages.....	8	Indicator Score / Loan-to-Value – Relief Refinance Mortgages	6
CS/LTV (“A-Minus Fees”) – Loan Product Advisor [®] Mortgages.....	13	Investment Property Mortgages.....	9
CS/LTV (“A-Minus Fees”) – Non-Loan Product Advisor Mortgages.....	13	Manufactured Homes	9
Custom Mortgage Insurance Options	8	Number of Units.....	10
Eligibility for CS/LTV (“A-Minus Fees”) – Loan Product Advisor & Non-Loan Product Advisor.....	14	Relief Refinance Mortgage Cap	2
Enhanced Relief Refinance Mortgage Cap.....	3	Second Home Mortgages.....	10
Exhibit 19 Change Summary.....	15-17	Secondary Financing	11
GreenCHOICE Mortgages SM	9	Super Conforming Mortgages.....	12
High LTVs	9		

Freddie Mac Postsettlement Delivery Fees

HOME POSSIBLE MORTGAGE CAP 23,26			
Product	LTV Ratios	Credit Score	Cap
All Eligible Product	> 80%	≥ 680	0.00%
		< 680	1.50%
	≤ 80%	All	1.50%

23 Effective for Settlement Dates on or before April 30, 2019, all applicable Credit Fees in Price are subject to the Home Possible and Home Possible Advantage Cap with the exception of the Custom Mortgage Insurance Credit Fee in Price, which will be added to the Cap.

23 Effective for Settlement Dates on or after May 1, 2019, all applicable Credit Fees in Price are subject to the Home Possible Mortgage Cap with the exception of the Custom Mortgage Insurance Credit Fee in Price and/or the GreenCHOICE Mortgage credit for Credit Fee in Price, which will be added to the Cap.

26 Until Home Possible Advantage product deactivation on September 30, 2019, any mortgage delivered as a Home Possible Advantage Mortgage meeting the requirements of Chapter 4501 will be subject to the Home Possible Mortgage Cap.

INDICATOR SCORE / LOAN-TO-VALUE FOR MORTGAGES OTHER THAN RELIEF REFINANCE MORTGAGES ^{1, 2, 3}										
Effective for Settlement Dates on or after January 1, 2019										
Product	Credit Score ^{1, 2}	LTV Ratios								
		All Eligible								
All Eligible Product	≥ 740	0.00%	0.25%	0.25%	0.50%	0.25%	0.25%	0.25%	0.75%	0.75%
	≥ 720 & < 740	0.00%	0.25%	0.50%	0.75%	0.50%	0.50%	0.50%	1.00%	1.00%
	≥ 700 & < 720	0.00%	0.50%	1.00%	1.25%	1.00%	1.00%	1.00%	1.50%	1.50%
	≥ 680 & < 700	0.00%	0.50%	1.25%	1.75%	1.50%	1.25%	1.25%	1.50%	1.50%
	≥ 660 & < 680	0.00%	1.00%	2.25%	2.75%	2.75%	2.25%	2.25%	2.25%	2.25%
	≥ 640 & < 660	0.50%	1.25%	2.75%	3.00%	3.25%	2.75%	2.75%	2.75%	2.75%
	≥ 620 & < 640	0.50%	1.50%	3.00%	3.00%	3.25%	3.25%	3.25%	3.50%	3.50%
	< 620	0.50%	1.50%	3.00%	3.00%	3.25%	3.25%	3.25%	3.75%	3.75%

1 Indicator Score / LTV Credit Fee in Price assumes the use of the middle/lower then lowest method outlined in Section 5203.2 of the Guide for identifying the Mortgage Indicator Score. An additional 0.25% Credit Fee in Price will be added to the Indicator Score / Loan-to-Value Credit Fee in Price rate if a method other than the middle/lower then lowest method is used for identifying the Mortgage Indicator Score. Freddie Mac reserves the right to adjust Credit Fee in Price rates if Freddie Mac determines that Sellers inconsistently use the recommended method and the permitted methods to identify Indicator Scores for Mortgages delivered to Freddie Mac. See Section 5203.2 (e) for details.

2 Mortgages without an Indicator Score will be charged the below 620 Indicator Score / Loan-to-Value Credit Fee in Price.

3 Sellers should refer to the Guide and their other Purchase Documents for other requirements and restrictions. For Mortgages with LTV ratios delivered in excess of the Guide requirements, the highest Credit Fee in Price rate will apply.

Home Possible 97% vs HomeOne MortgageSM 97% - Both with Credit Score of 680

Home Possible Education Requirements

Homebuyer Education Purchase Transaction

- When all occupying borrowers are **First-Time Homebuyers, at least one occupying 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
- Homeownership education must be provided by a party not involved in the sale or financing of the property or the originating lender or seller
- Homeownership education programs may use different formats and require different lengths of time to complete. The following are acceptable:
 - Internet (on-line) homeownership education programs that have been developed by Mortgage Insurance companies
<https://new.mi.genworth.com/>

****First-Time Homebuyer:**

A First-Time Homebuyer is an individual who meets all of the following requirements:

- Is purchasing the Mortgaged Premises
- Will reside in the Mortgaged Premises as a Primary Residence
- Had no ownership interest (sole or joint) in a residential property during the three-year period preceding the date of the purchase of the Mortgaged Premises

The related ULDD Data Point name is Borrower First Time Homebuyer Indicator

In addition, a displaced homemaker or a single parent may also be considered a First-Time Homebuyer if the individual had no ownership interest in a residential property during the preceding three-year period other than an ownership interest in the marital residence with a spouse. If a displaced homemaker or a single parent solely owned the marital residence, or solely or jointly owned a second home or Investment Property, the individual may not be considered a First-Time Homebuyer.

Home Possible Education Requirements

Homebuyer Education Purchase Transaction

- Programs developed by HUD-approved counseling agencies, Housing Finance Agencies (HFAs) or Community Development Financial Institutions (CDFIs)
- Homeownership education programs that meet the standards of the National Industry Standards for Homeownership Education and Counseling (www.homeownershipstandards.com)
- As an alternative, Freddie Mac free financial literacy curriculum CreditSmart® provided 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) are included, or access the Credit Smart-Steps to Homeownership Tutorial.

Home Possible Education Requirements

Landlord education (2- to 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 for Construction Conversion and Renovation Mortgages. 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.

≡ MENU HOME | Careers | Contact Us SEARCH

Freddie Mac
We make home possible®

Connect With Us
   

CreditSmart Home

CreditSmart History

Consumer Online Training

Instructor Resources

CreditSmart A Guide to Better Credit, Money Management, and Responsible Homeownership

CreditSmart – Steps to Homeownership Tutorial

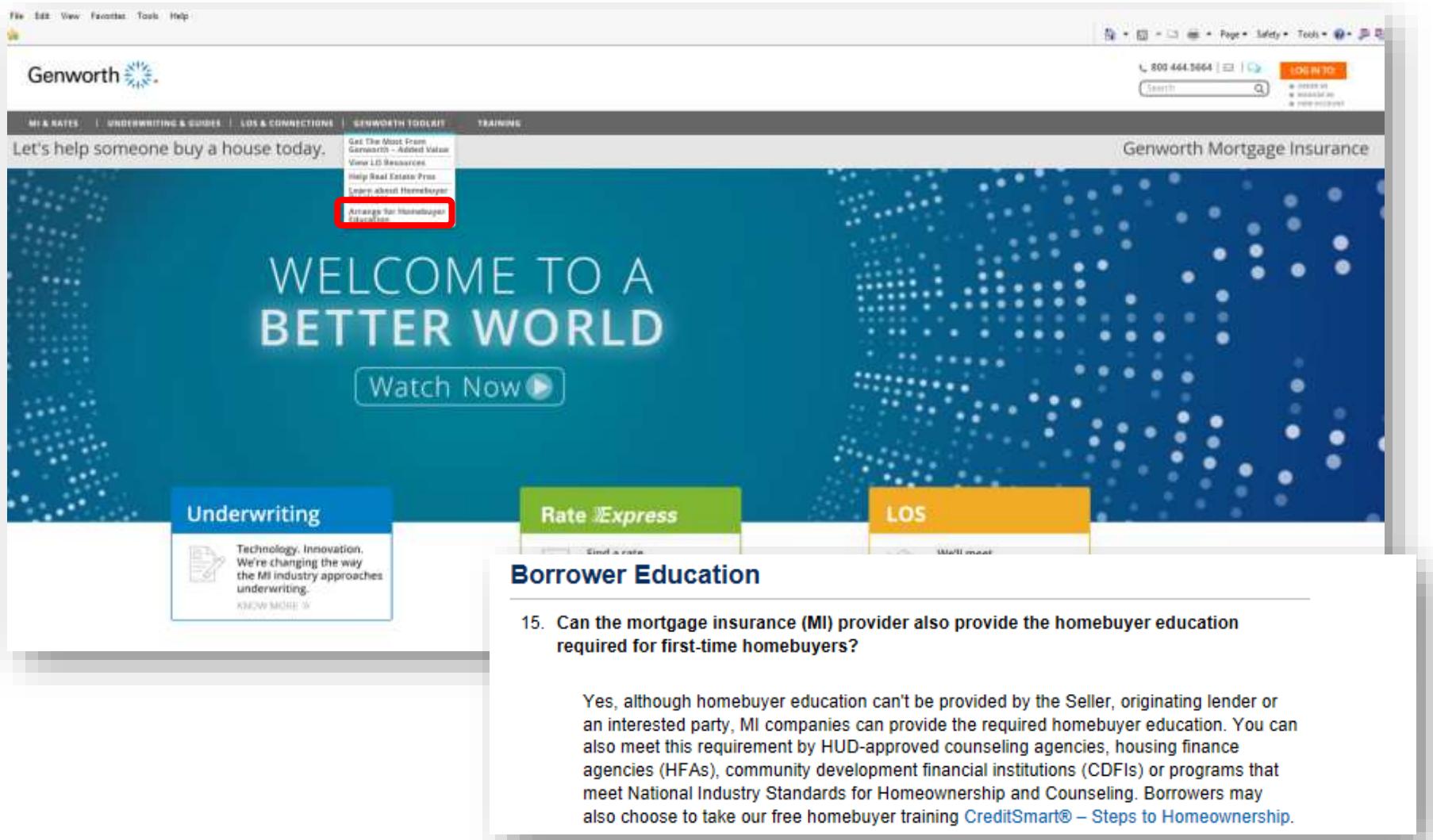
Are you a first- time homebuyer required to take a homeownership education course as a qualification for [Home Possible® Mortgages](#)? This [free, interactive tutorial](#) is a smart solution that will teach you how to achieve your financial and homeownership goals. You will receive a certificate after successful completion of the course.

Highlights of the Course

- This self-paced tutorial outlines the steps to homeownership from the importance of good credit to qualifying for a loan and selecting a lender, with a special emphasis on protecting your investment once you own a home.
- There are five lessons in this course, including:
 - ◆ Your Credit and Why It is Important
 - ◆ Managing Your Money
 - ◆ Thinking Like a Lender
 - ◆ Becoming a Homeowner
 - ◆ Preserving Homeownership – Protecting Your Home Investment
- Successful completion of this tutorial satisfies the Home Possible Mortgages homeownership education requirement. After you complete the tutorial in its entirety, you will be able to print a course completion certificate for your records. You can also save the certificate as a PDF so that you can send it directly to your lender, if needed.
- There is no date or time restriction for completion of this course. You can take this course any time, at your own pace. It is estimated to take approximately two hours to complete all of the lessons and receive your course completion certificate.
- You can stop studying at any time and return to the course at your convenience, as long as you are logged in from the same computer.

[out/sitemap.html](#)

<https://new.mi.genworth.com/>



The screenshot shows the Genworth Mortgage Insurance website. At the top, there is a navigation bar with links for File, Edit, View, Favorites, Tools, and Help. On the right side of the header, there are links for 800.444.3664, Page, Safety, Tools, and a search bar. The main header features the Genworth logo and the text "Genworth Mortgage Insurance". Below the header, there is a menu bar with links for MI & RATES, UNDERWRITING & GUIDE, LOS & CONNECTIONS, GENWORTH TOOLKIT, and TRAINING. The TRAINING section has a dropdown menu with options: Get The Most From Genworth - Added Value, View LOS Resources, Help Real Estate Pros, Learn about Homebuyers, and Arrange for Homebuyer Education. The "Arrange for Homebuyer Education" link is highlighted with a red box. The main content area features a large blue background with the text "WELCOME TO A BETTER WORLD" and a "Watch Now" button. Below this, there are three main sections: Underwriting, Rate Express, and LOS. The Underwriting section has a sub-section for Borrower Education. The Borrower Education section contains the following text and a question:

Technology. Innovation. We're changing the way the MI industry approaches underwriting.

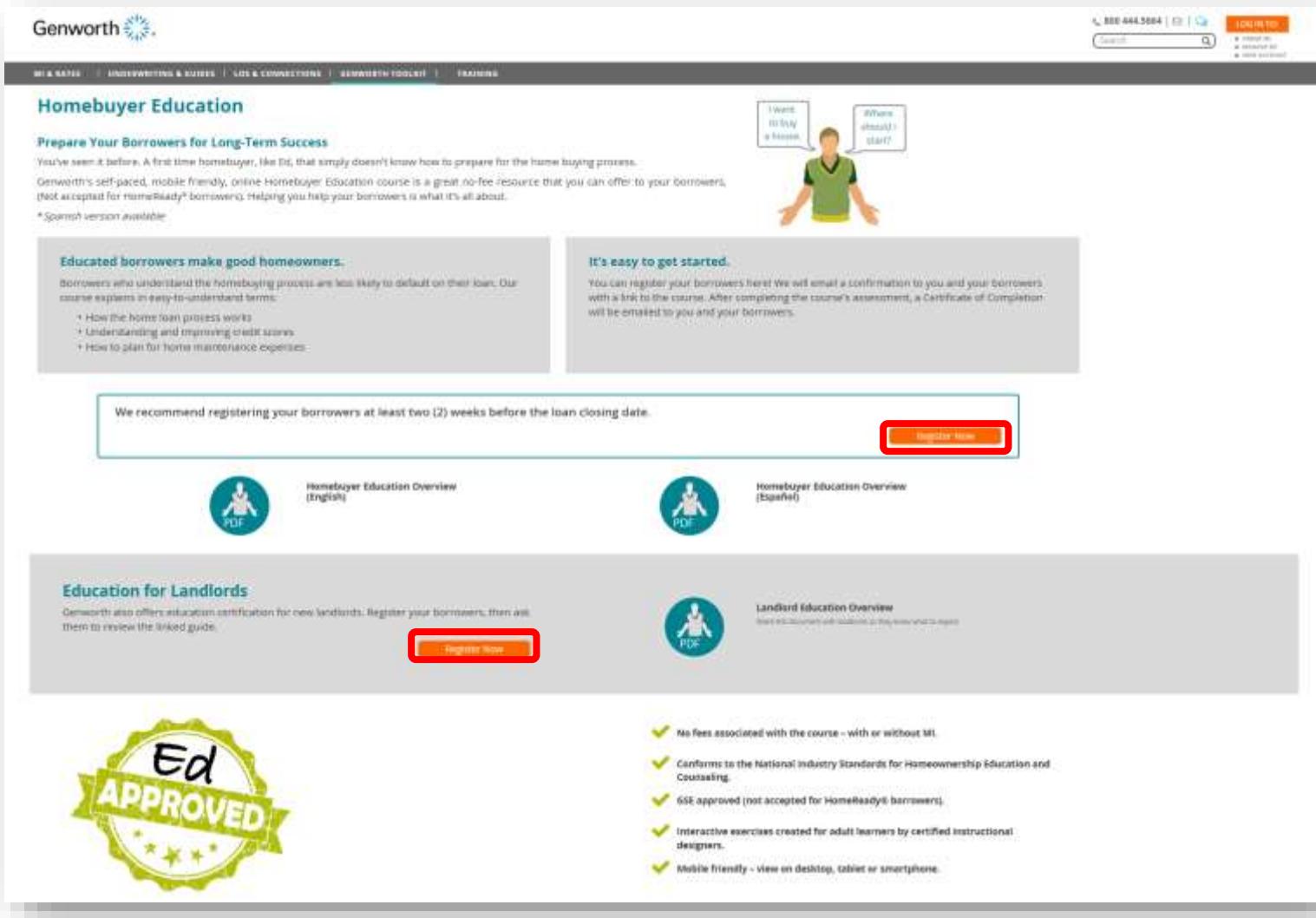
KNOW MORE 

Borrower Education

15. Can the mortgage insurance (MI) provider also provide the homebuyer education required for first-time homebuyers?

Yes, although homebuyer education can't be provided by the Seller, originating lender or an interested party, MI companies can provide the required homebuyer education. You can also meet this requirement by HUD-approved counseling agencies, housing finance agencies (HFAs), community development financial institutions (CDFIs) or programs that meet National Industry Standards for Homeownership and Counseling. Borrowers may also choose to take our free homebuyer training CreditSmart® – Steps to Homeownership.

<https://new.mi.genworth.com/>



The screenshot shows the Genworth Homebuyer Education page. At the top, the Genworth logo is on the left, and a search bar with a magnifying glass icon and a 'LOG IN' button are on the right. The main title 'Homebuyer Education' is in bold. Below it, a sub-section title 'Prepare Your Borrowers for Long-Term Success' is followed by a paragraph of text and a note about a Spanish version. To the right, there's an illustration of a person with speech bubbles saying 'I want to buy a house.' and 'Where should I start?'. Below this, two columns of text are shown: 'Educated borrowers make good homeowners.' and 'It's easy to get started.' Each column has a list of benefits or steps. A red-bordered 'Register Now' button is located in the center of the page. At the bottom, there are links for 'Homebuyer Education Overview (English)' and 'Homebuyer Education Overview (Spanish)'. A 'Landlord Education Overview' link is also present. A large green 'Ed APPROVED' seal is on the left, and a list of course features is on the right.

Genworth

888.444.3884 | [Search](#) | [LOG IN](#)

Homebuyer Education

Prepare Your Borrowers for Long-Term Success

You've seen it before. A first time homebuyer, like Eric, that simply doesn't know how to prepare for the home buying process. Genworth's self-paced, mobile friendly, online Homebuyer Education course is a great, no-fee resource that you can offer to your borrowers. (Not accepted for HomeReady® borrowers). Helping you help your borrowers is what it's all about.

* Spanish version available

Educated borrowers make good homeowners.

Borrowers who understand the homebuying process are less likely to default on their loan. Our course explains in easy-to-understand terms:

- How the home loan process works
- Understanding and improving credit scores
- How to plan for home maintenance expenses

It's easy to get started.

You can register your borrowers here! We will email a confirmation to you and your borrowers with a link to the course. After completing the course's assessment, a *Certificate of Completion* will be emailed to you and your borrowers.

We recommend registering your borrowers at least two (2) weeks before the loan closing date.

[Register Now](#)

[Homebuyer Education Overview \(English\)](#)

[Homebuyer Education Overview \(Spanish\)](#)

[Landlord Education Overview](#)

Ed APPROVED

- ✓ No fees associated with the course - with or without MI.
- ✓ Conforms to the National Industry Standards for Homeownership Education and Counseling.
- ✓ GSE approved (not accepted for HomeReady® borrowers).
- ✓ Interactive exercises created for adult learners by certified instructional designers.
- ✓ Mobile friendly - view on desktop, tablet or smartphone.

Freddie Mac Mortgage Insurance Coverages

Standard

95% LTV- 30% Coverage

- \$160. monthly MI

*95.01-97% LTV- 35% Coverage

- \$201.67 monthly MI

Effective Date: June 4, 2018

Home Possible

95% LTV- 25% Coverage

- \$145.00 monthly MI

95.01-97% LTV- 25% Coverage

- \$163.33 monthly MI

Monthly Premium MI (BPMI) – Fixed				
Purchase, Full Doc, Primary Residence, Fixed or ARM \geq 5 years				
Amortization Term $>$ 20 years				
Fixed	LTV	Coverage		
97% -95.01%	35%	Exposure		
	760+	.58%		
	740-759	.70%		
95% -90.01%	720-739	.87%		
	700-719	.99%		
	680-699	1.21%		
97% -95.01%	25	.73		
	.46	.58		
	.70	.79		
95% -90.01%	18	.80		
	.39	.51		
	.61	.68		
97% -95.01%	30	.67		
	.38	.53		
	.66	.78		
Adjustments				
\geq 2 Borrower/97% LTV				
760+	740-759	720-739	700-719	680-699
-.13%	-.13%	-.13%	-.13%	-.14%

For a loan with two borrowers,
97% factor is .84%
In this example, the monthly
premium is now \$140

Example - 1 family, owner occupied, purchase, primary residence, fixed rate, non-manufactured property with underwriting credit score of 680. Loan amount is \$200,000 with monthly BPMI. (Rate card factor is based on only 1 borrower on loan; Adjustments in pricing if 2 or more borrowers)

*97% LTV available July 29 under HomeOne MortgageSM

Standard Program vs. Home Possible

1 unit
Owner Occupied
Purchase
Primary Residence
Fixed Rate
Non-manufactured property
Credit score of 680
Loan amount is \$200,000
Monthly BPMI

95% LTV

- ✓ \$23.34 Monthly Savings
- ✓ *\$2,500 Savings

97% LTV

- ✓ No Delivery fees for borrower with credit score of 680 or greater and LTV greater than 80% which results in *\$3,000 savings
- ✓ \$41.67 Monthly Savings @97% LTV based on conventional requirements

Borrower Satisfaction



More Referrals \$\$\$\$

**Fees typically acknowledged in a rate differential*

Home Possible Marketing Materials

Reach out to real estate professionals, housing counselors and mortgage brokers

Spread the word about Home Possible among your real estate professional, counselor and mortgage broker network using the following resources:

1. Customizable postcards:



Postcard for REPs

- [English \[DOC\]](#)
- [Spanish \[DOC\]](#)



Postcard for Brokers

- [English \[DOC\]](#)
- [Spanish \[DOC\]](#)

2. [Freddie Mac Real Estate Professionals Resource Center](#) – Send professionals to this comprehensive resource website.
3. [Freddie Mac Housing Counselors Resource Center](#) – Direct the counselors in your network to Freddie Mac's website dedicated to needs.
4. [Down Payment Assistance](#) – Point your partners to [DownPaymentResource.com](#) to help them help their clients find down payment funds.
5. [Networking and Training Opportunities](#) – Build your network of counselors and real estate professionals at these events.
6. [Mortgage Broker Resources](#) – Refer to Lender Resources for more information.

Outreach to potential borrowers

Let potential borrowers know how you can help them achieve their dream of homeownership with these FREE resources:

1. [CreditSmart® – Steps to Homeownership](#): Did your borrower qualify for a Home Possible mortgage? This FREE online tutorial by Freddie Mac will allow first-time homebuyers to fulfill their homeownership education requirement.
2. [Down Payment Assistance](#): Help your mortgage-ready borrower find down payment and closing cost assistance through [DownPaymentResource.com](#).
3. Place your logo on these marketing materials and reach out to potential homebuyers (See [Instructions](#), [Terms of Use](#) and [Print Specs](#)):

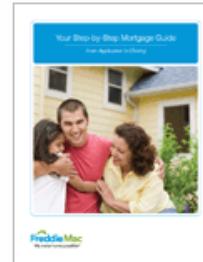
Your Step-by-Step Mortgage Guide: From Application to Closing: Help homebuyers navigate the mortgage process so that they take the right steps to purchase their home. Add your contact information and logo to the front and back covers.

English



- [Mortgage Guide \[PDF\] – Updated](#)
- [Mortgage Guide Customizable Front Page \[DOC\]](#)
- [Mortgage Guide Customizable Back Page \[DOC\]](#)

Spanish



- [Mortgage Guide \[PDF\] – Updated](#)
- [Mortgage Guide Customizable Back Page \[DOC\]](#)

<http://www.freddiemac.com/homepossible/>

Home Possible Website

Single-Family

Become a Freddie Mac Seller/Servicer

Originate and Underwrite

Sell and Deliver

Affordable Lending

Loan Advisor Suite

Duty to Serve

Uniform Mortgage Data Program (UMDP)

Mortgage Products

Home Possible Income & Property Eligibility

Servicing

The Guide and Forms

Single-Family News Center

Subscription Center

The Learning Center

Housing Professionals

Credit Risk Offerings

Home Possible® Mortgage

Updated Home Possible Offering

We've added credit flexibilities and simplified Home Possible by consolidating Home Possible and Home Possible Advantage. Learn more about the changes in [Single-Family Seller/Service Guide \[PDF\]](#). Check out updated mortgage highlights on this page.

Frequently Asked Questions

Maximum Financing and Flexibility - 1 Payment Solution with Expanded Options

The Freddie Mac Home Possible® mortgage offers more options to help your very low- to moderate-income borrowers.

In addition to its down payment requirement of as little as 3% of the home's value, there are now three additional options to responsibly increase homeownership for more of your borrowers. You can apply sweat equity to assist in meeting their down payment, or a borrower who does not live in the home can be included for a borrower's one-up-to-five other properties, and more – all with competitive pricing.

We're helping you provide affordable solutions to more creditworthy borrowers so you can enhance your business and your communities at the same time.

Watch the video to the right, and learn more.

Information for Lenders

Freddie Mac Home Possible mortgages are designed to grow your business and attract low- and moderate-income borrowers, first-time homebuyers, and underserved communities. Use the resources below and discover why a Home Possible mortgage may be best fit for your borrowers' needs.

1. Get the facts about Home Possible and Home Possible Advantage:

Home Possible Fact Sheet [PDF]



Everything you need to know about Home Possible mortgages.

Home Possible Advantage: A Smart Choice [PDF]



Overview of Freddie Mac's 97% LTV option.

Why Choose Home Possible Advantage? [PDF]



Why Home Possible Advantage may be right for your borrowers.

Freddie Mac Affordable Seconds®



Secondary Financing:
■ Guidelines
■ Checklist [PDF]

2. Other Things You Need to Know:

- [Home Possible Income & Property Eligibility tool](#) – Use this quick lookup tool to see if your borrower meets the income requirements for a Home Possible mortgage, or if the home they're interested in is located in an underserved area.
- [2016 Loan Limits](#) – See if your loan meets Freddie Mac loan limit requirements.
- [Down Payment Assistance](#) – Help your borrower find down payment programs in your area.
- [Training Opportunities](#) – Take a deep dive and learn how to originate Home Possible mortgages.

<http://www.freddiemac.com/homepossible/>

Down Payment Assistance

- Freddie Mac has a summary on down payment assistance and closing cost options
- Lists information resources to search for sources in your area



SOURCES OF DOWN PAYMENT AND CLOSING COST ASSISTANCE

What are the sources?

Well-qualified, first-time and other homebuyers seeking financial resources to bridge small gaps in down payment and closing costs have a variety of sources they can turn to to achieve their homeownership objectives, including:

- **Housing Finance Agencies (HFAs).** Housing finance agencies, or HFAs, are state-chartered authorities established to help meet the affordable housing needs of the state's residents. They administer the state's housing finance programs, including:
- State eligible counties (Housing Finance Agencies)
- Non-low-income areas

Information Resources

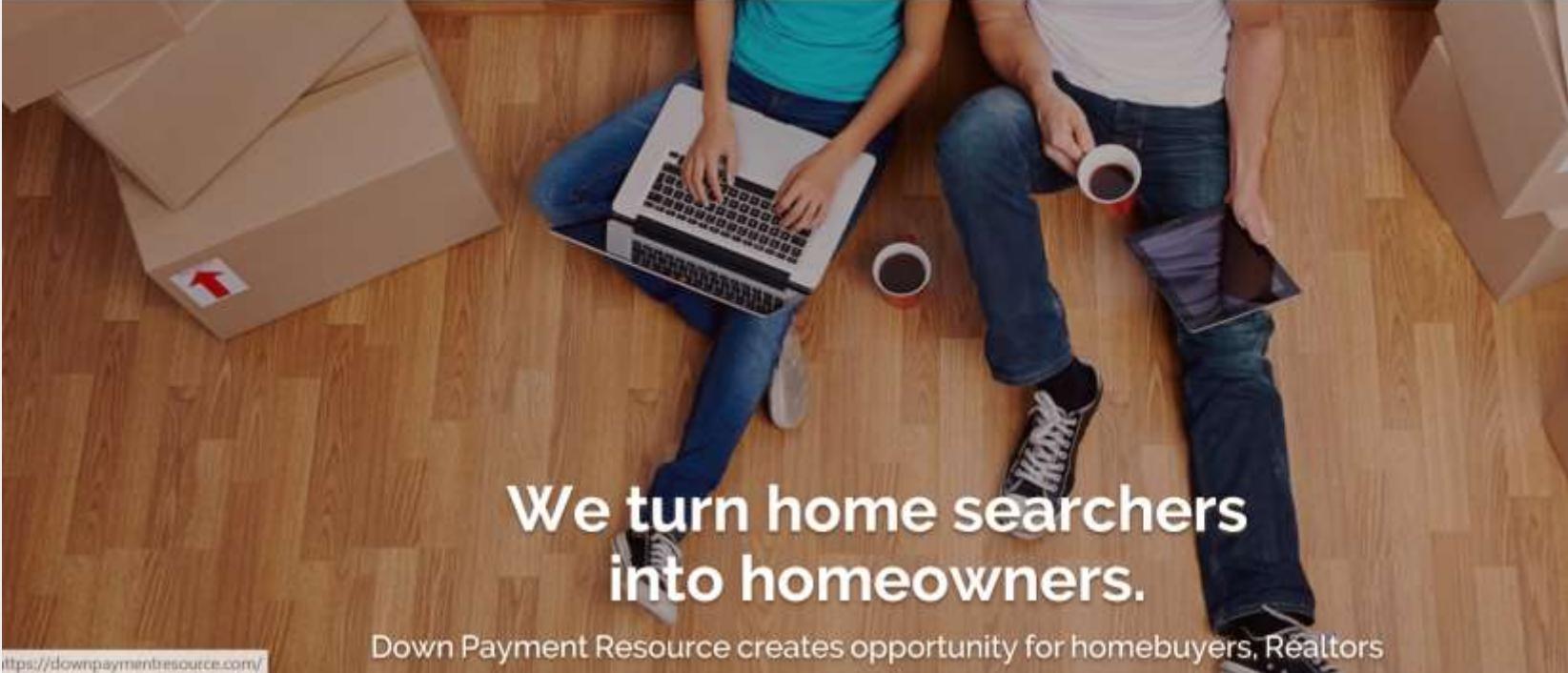
Find state and local down payment and closing cost assistance solutions in your area using the following resources:

- The U.S. Department of Housing and Urban Development (HUD) website provides information on local homeownership programs in all 50 states, Puerto Rico, and the U.S. Virgin Islands. Go to <http://portal.hud.gov/hudportal/HUD?src=state>, click on the state name, and then click on "homebuying programs" or "homeownership assistance" to view names of programs and links to participating agency websites.
- You can also find all state agency websites at www.usa.gov/agency/state.html and [Territory.html](http://www.usa.gov/territory/territory.html) and click on the "housing" or "homeownership" page.
- The HUD website also has a list of counseling agencies providing HUD-approved homebuyer education at www.hud.gov/offices/counseling/hscc/hscc.htm (homebuyer education is required for some down payment and closing cost assistance).
- The National Council of State Housing Agencies (NCSHA) website has a directory, and links, to all of the state housing finance agencies. Go to <http://www.ncsha.org/hscc/hscc.htm>.
- The Freddie Mac website at www.FreddieMac.com provides overviews of Freddie Mac product offerings such as the 30-year fixed-rate mortgage and Home Possible® – and also includes information on Freddie Mac Affordable Seconds®.
- Down Payment Resource at <http://DownPaymentResource.com/are-you-eligible/> helps potential homebuyers determine their eligibility for a program and searches for potential funding sources.

Mortgage Credit Certificates

HOME Investment Partnerships Program

Down Payment Resource®



**We turn home searchers
into homeowners.**

Down Payment Resource creates opportunity for homebuyers, Realtors

<https://downpaymentresource.com/>

<https://downpaymentresource.com/>

Home Possible FAQs

Single-Family

Become a Freddie Mac Seller/Servicer

Originate and Underwrite

Sell and Deliver

Affordable Lending

Loan Advisor Suite

Duty to Serve

Uniform Mortgage Data Program (UMDP)

◆ Mortgage Products

Home Possible Income & Property Eligibility

Servicing

The Guide and Forms

Single Family News

FAQs: Home Possible® Mortgages Consolidation and New Credit Flexibilities

In *Single-Family Seller/Servicer Guide* (Guide) Bulletin 2018-13, we announced new flexibilities added to Home Possible mortgages to responsibly meet the needs of our clients and their borrowers today and in the future. Additionally, we announced the consolidation of the Home Possible and Home Possible Advantage® mortgages into a single Home Possible offering, combining the features of each individual product into one offering.

Why We've Made These Changes

Freddie Mac has listened to our clients' feedback and added several credit flexibilities that will provide access to credit for more creditworthy borrowers in a greater variety of situations. By creating the single offering, we're also providing clients with more certainty, ease of use, and operational efficiency compared to maintaining two separate mortgage offerings.

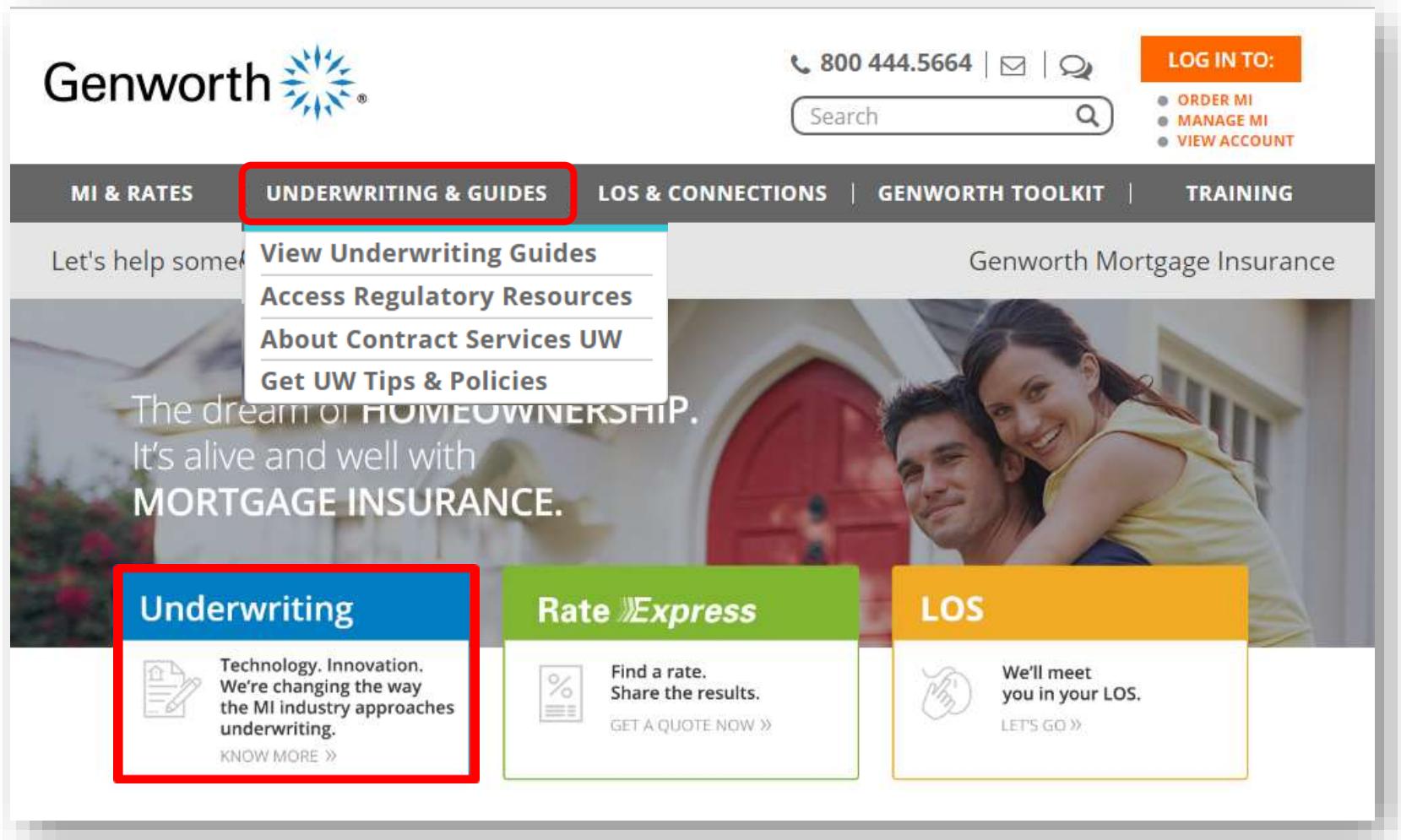
The enhanced Home Possible mortgage helps more low- and moderate-income borrowers overcome the most common obstacle to achieving the dream of homeownership – securing funds for a down payment. It continues to offer a low (3 percent) down payment option with maximum 97 percent loan-to-value (LTV) and total LTV (TLTV) ratio flexibilities. Additionally, borrowers now have the option to use sweat equity for the entire amount of their down payment and closing costs.

FAQs

1. With the combination of the two offerings, were any of the previous flexibilities removed?

http://www.freddiemac.com/homepossible/home_possible_faq.html

Genworth Underwriting Guidelines



The screenshot shows the Genworth website with a red box highlighting the "UNDERWRITING & GUIDES" menu item. The menu also includes "View Underwriting Guides", "Access Regulatory Resources", "About Contract Services UW", and "Get UW Tips & Policies". The main content area features a couple in front of a house with the text: "The dream of HOME OWNERSHIP. It's alive and well with MORTGAGE INSURANCE." Below this are three call-to-action boxes: "Underwriting" (blue), "Rate Express" (green), and "LOS" (yellow).

Genworth

800 444.5664 | [Email](#) | [Search](#)

LOG IN TO:

- ORDER MI
- MANAGE MI
- VIEW ACCOUNT

MI & RATES **UNDERWRITING & GUIDES** LOS & CONNECTIONS GENWORTH TOOLKIT TRAINING

Let's help some...

[View Underwriting Guides](#)

[Access Regulatory Resources](#)

[About Contract Services UW](#)

[Get UW Tips & Policies](#)

The dream of **HOME OWNERSHIP**.
It's alive and well with
MORTGAGE INSURANCE.

Underwriting

Technology. Innovation.
We're changing the way
the MI industry approaches
underwriting.

[KNOW MORE »](#)

Rate Express

Find a rate.
Share the results.

[GET A QUOTE NOW »](#)

LOS

We'll meet
you in your LOS.

[LET'S GO »](#)

Genworth Mortgage Insurance



Genworth Rate Express

The screenshot shows the Genworth Rate Express homepage. At the top, the Genworth logo is on the left, followed by a search bar and a 'LOG IN TO:' button with options for ORDER MI, MANAGE MI, and VIEW ACCOUNT. Below the header, a navigation bar includes 'MI & RATES' (which is highlighted with a red box), UNDERWRITING & GUIDES, LOS & CONNECTIONS, GENWORTH TOOLKIT, and TRAINING. A main banner features a couple in front of a house with the text 'Get A Quote - Rate Express', 'buy a house today.', 'Genworth Mortgage Insurance', and 'GE INSURANCE.' Below the banner are three call-to-action boxes: 'Underwriting' (blue), 'Rate Express' (green, highlighted with a red box), and 'LOS' (yellow). Each box contains a small icon, a brief description, and a 'KNOW MORE' or 'LET'S GO' link.

Get A Quote - Rate Express

buy a house today.

Genworth Mortgage Insurance

MI & RATES

UNDERWRITING & GUIDES

LOS & CONNECTIONS

GENWORTH TOOLKIT

TRAINING

View Rate Cards

Explore MI Products

Learn About MI

Understand Your Master Policy

Compare MI & FHA

Underwriting

Technology. Innovation. We're changing the way the MI industry approaches underwriting.

KNOW MORE »

Rate Express

Find a rate. Share the results.

GET A QUOTE NOW »

LOS

We'll meet you in your LOS.

LET'S GO »

Genworth Rate Express - Reminder

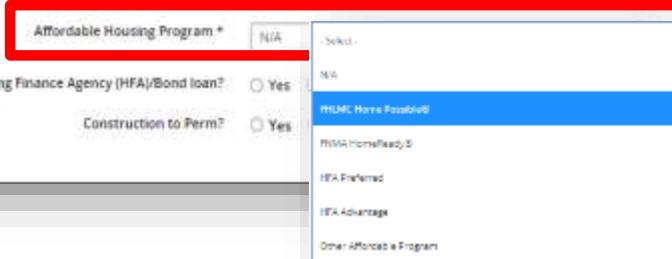
Required

Rate Express

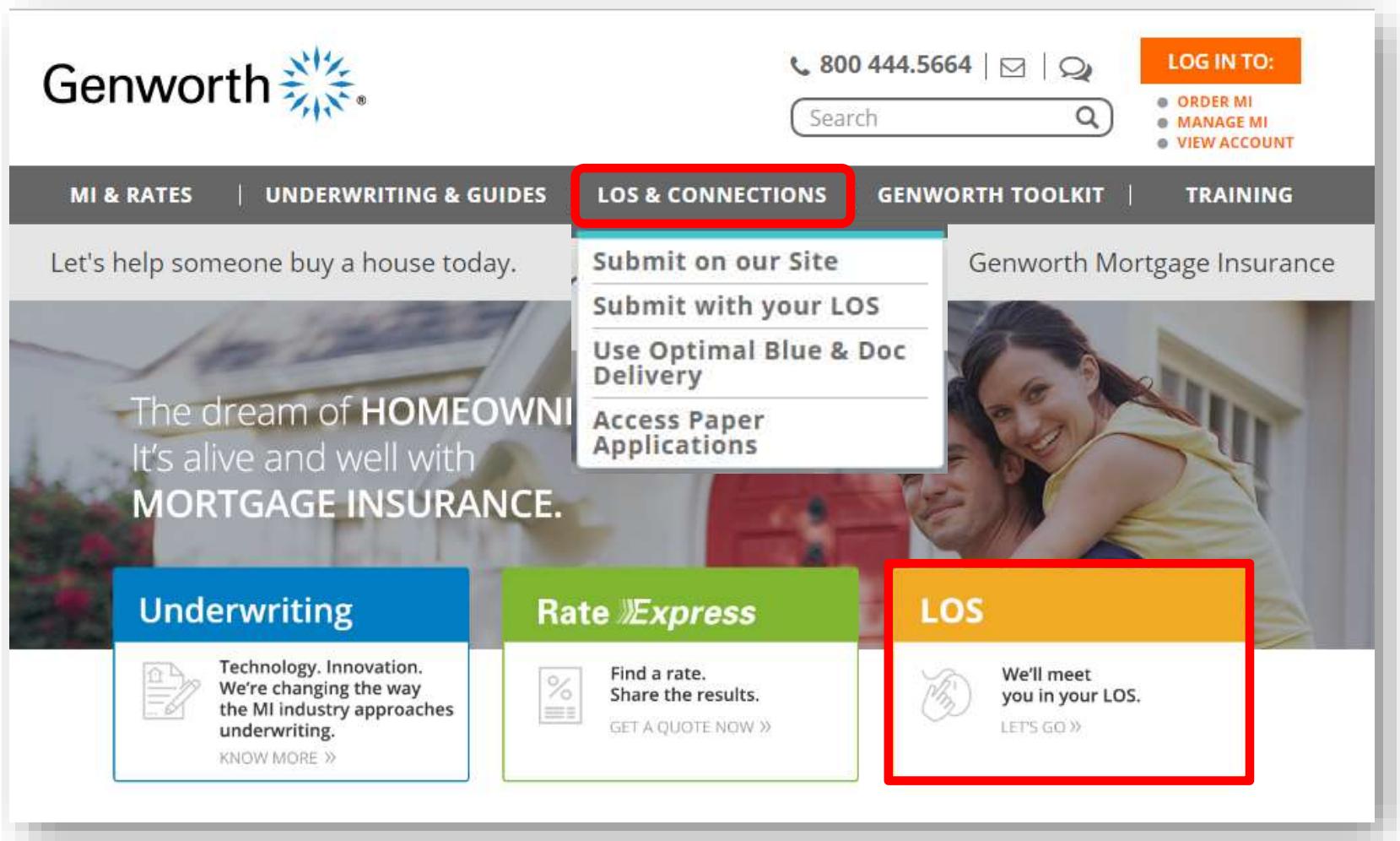
Quote Information

Loan Amount *	\$ <input type="text"/>	State *	<input type="text" value=" -Select -"/>
LTV *	<input type="text" value=" -Select -"/>	Loan Purpose *	<input type="text" value=" -Select -"/>
Representative Credit Score *	<input type="text"/>	Premium Paid By *	<input type="text" value=" Borrower (BPM)"/>
<input type="checkbox"/> Non-Traditional Credit		Premium Payment Option *	<input type="text" value=" Zero Monthly / Deferred"/>
DTI *	<input type="text"/>	<input type="checkbox"/> Refundable	
Number of Borrowers *	<input type="text" value=" -Select -"/>		
Lender Loan #	<input type="text" value="0000000000"/>	Email	<input type="text" value="Business Email/Address"/>
Borrower Name	<input type="text"/>		

Loan Assumptions

Property Type *	<input type="text" value=" Single Family (Including Modular)"/>	Loan Term *	<input type="text" value=" 30 years"/>
Loan Type *	<input type="text" value=" Fixed Rate/Fixed Payment"/>	Renewal Option *	<input type="text" value=" Constant"/>
Coverage *	<input type="text" value=" -Select -"/>	Occupancy *	<input type="text" value=" Primary Residence"/>
Upfront Financed MI *	<input type="text" value=" None"/>	AUS Results *	<input type="text" value=" Desktop Underwriter Approved/Eligible"/>
Affordable Housing Program *	<input type="text" value=" N/A"/>	Relocation	<input type="radio"/> Yes <input type="radio"/> No
 <ul style="list-style-type: none">-Select-N/ARHMC Home Possible®RMWA HomeReady®IIFA PreferredIIFA AdvantageOther Affordable Program			
Is this a Housing Finance Agency (HFA)/Bond loan?	<input type="radio"/> Yes		
Construction to Perm?	<input type="radio"/> Yes		

LOS Connections



The screenshot shows the Genworth website with a navigation bar at the top. The navigation items are: MI & RATES, UNDERWRITING & GUIDES, LOS & CONNECTIONS (which is highlighted with a red box), GENWORTH TOOLKIT, and TRAINING. To the right of the navigation is a search bar and a 'LOG IN TO:' section with links for ORDER MI, MANAGE MI, and VIEW ACCOUNT. Below the navigation, there is a main content area with a background image of a couple in front of a house. The text on the page reads: 'Let's help someone buy a house today.', 'The dream of HOMEOWNERSHIP is alive and well with MORTGAGE INSURANCE.', 'Underwriting', 'Rate Express', and 'LOS'. The LOS section is also highlighted with a red box. A dropdown menu from the LOS button lists: Submit on our Site, Submit with your LOS, Use Optimal Blue & Doc Delivery, and Access Paper Applications. To the right of the LOS section is a box for Genworth Mortgage Insurance featuring a photo of a couple.

Genworth

800 444.5664 | [Email](#) | [Search](#)

LOG IN TO:

- ORDER MI
- MANAGE MI
- VIEW ACCOUNT

MI & RATES | **UNDERWRITING & GUIDES** | **LOS & CONNECTIONS** | **GENWORTH TOOLKIT** | **TRAINING**

Search

Let's help someone buy a house today.

The dream of **HOMEOWNERSHIP** is alive and well with **MORTGAGE INSURANCE**.

Underwriting

Technology. Innovation. We're changing the way the MI industry approaches underwriting.

[KNOW MORE »](#)

Rate Express

Find a rate. Share the results.

[GET A QUOTE NOW »](#)

LOS

We'll meet you in your LOS.

[LET'S GO »](#)

Submit on our Site

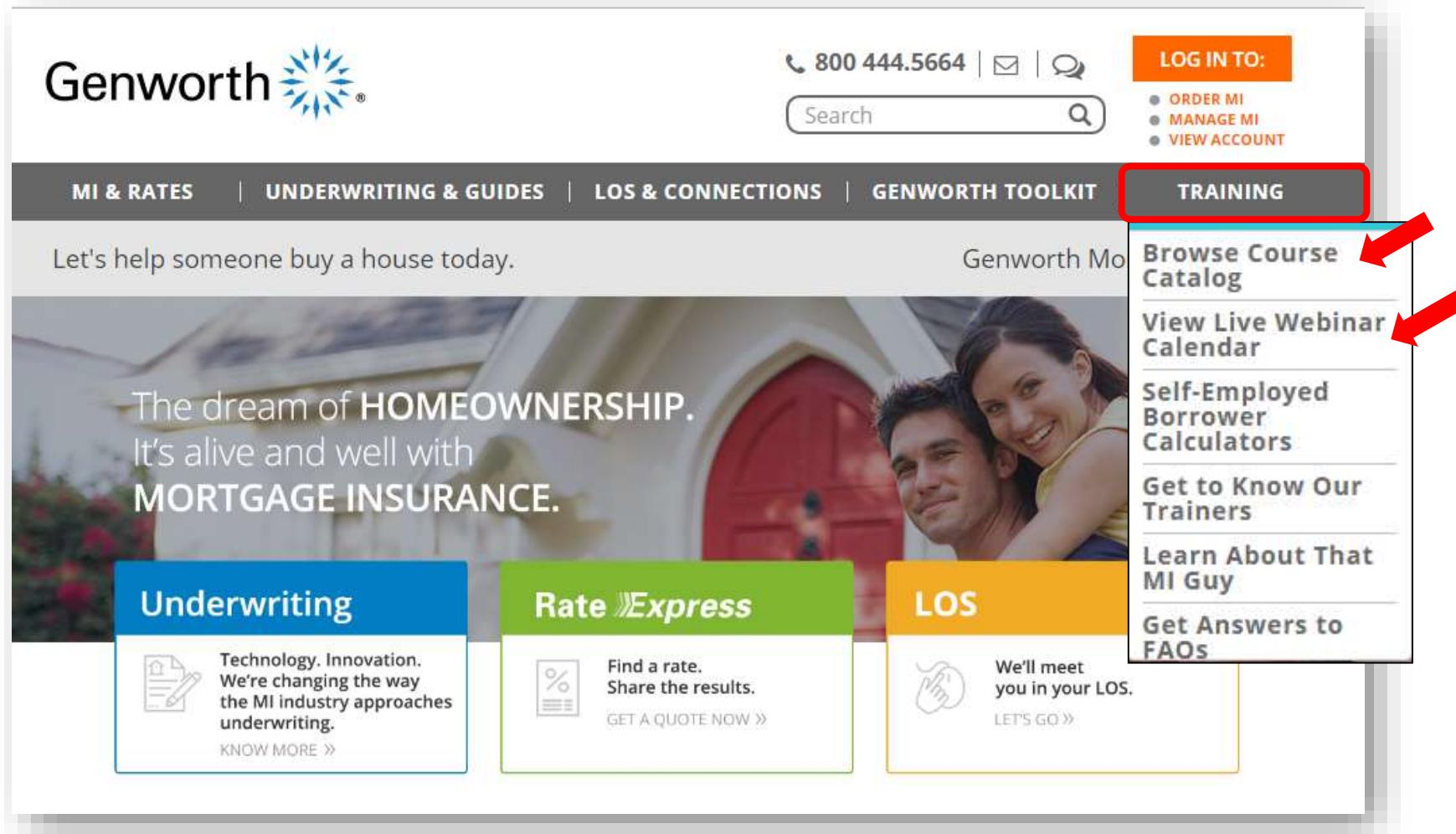
Submit with your LOS

Use Optimal Blue & Doc Delivery

Access Paper Applications

Genworth Mortgage Insurance

Training Tools and Information



The screenshot shows the Genworth website with a red box highlighting the 'TRAINING' tab in the top navigation bar. Two red arrows point from the right side of the image to the 'Browse Course Catalog' and 'View Live Webinar Calendar' links in the sidebar.

Genworth

800 444.5664 | [Email](#) | [Search](#)

LOG IN TO:

- ORDER MI
- MANAGE MI
- VIEW ACCOUNT

MI & RATES | UNDERWRITING & GUIDES | LOS & CONNECTIONS | GENWORTH TOOLKIT | TRAINING

Let's help someone buy a house today.

The dream of **HOME OWNERSHIP**. It's alive and well with **MORTGAGE INSURANCE**.

Underwriting
Technology. Innovation. We're changing the way the MI industry approaches underwriting.
[KNOW MORE »](#)

Rate Express
Find a rate. Share the results.
[GET A QUOTE NOW »](#)

LOS
We'll meet you in your LOS.
[LET'S GO »](#)

Browse Course Catalog

View Live Webinar Calendar

Self-Employed Borrower Calculators

Get to Know Our Trainers

Learn About That MI Guy

Get Answers to FAQs

Training Tools and Information

Course Catalog

Genworth offers a comprehensive suite of training opportunities to boost your know-how, benefit your bottom line and ultimately best serve your borrowers. With more than 90 courses in our catalog, our team is here to help you stay up-to-date on the mortgage industry and regulatory environment. Classes are all offered at no cost to you.

Browse by Topic

-  Mortgage Industry Skills
-  Professional Development Skills
-  That MI Guy
-  Tutorials

Browse by Role

Self-Employed Borrower Tools

We offer a valuable collection of downloadable calculators and reference guides to help you with calculating and analyzing the average monthly income of self-employed borrowers. They provide suggested guidance only and do not replace Fannie Mae or Freddie Mac instructions or applicable guidelines.

You can find more information about self-employed borrowers through our self-employed borrower courses.

Due to various internet browser versions, please download and save PDF before entering data. Please note, calculators are updated periodically.

 Fannie Mae Form 1084 Calculator (2016-2017) Fannie Mae Form 1084 calculator to help you determine Fannie Mae form 1084 requirements. <small>UPDATED</small>	 Freddie Mac Form 91 Calculator (2016-2017) Quick reference guide and income analysis for Freddie Mac Form 91.	 Freddie Mac Form 92 Calculator (2016-2017) Form 92 Net Rental Income Calculations - Schedule 2.
 Schedule Analysis Method (SAM) Calculator (2016-2017) Calculator quantifying income from rental income.	 Rental Income Calculator (2016-2017) Assists in calculating rental income from Fannie Mae Form 1084 Schedule 2.	 Current Ratio - Liquidity Calculator (2016-2017) Calculator verifying capital liquidity against current liabilities.
 Quick Ratio - Liquidity Calculator (2016-2017) Calculator verifying capital liquidity against current liabilities.	 2106 Expense Form (2016-2017) Calculator and quick reference guide to assist you in calculating 2106 expenses.	 Fannie Mae Rental Guide (Calculator 1037) Use this worksheet to calculate qualifying rental income for Fannie Mae Form 1084 (Individual Rental Income from Investment Property).
 Fannie Mae Rental Guide (Calculator 1038) Calculator for calculating qualifying rental income for Fannie Mae Form 1084 (Individual Rental Income from Investment Property).	 Fannie Mae Rental Guide (Calculator 1039) Calculator quantifying rental income for Fannie Mae Form 1084 (Business Rental Income from Investment Property).	

Recorded webinars

 Explore and watch on your time!

LIVE WEBINAR CALENDAR



DOWNLOAD OUR PDF CALENDAR



DOWNLOAD FULL COURSE CATALOG



Training in your Inbox

Request our training info via email.



Additional MI Site Information

What's New

- New Lower Rates
- Training
- Lender Stories 2018
- UW Manual
- First-Time Homebuyers

First-time homebuyers are looking for you. Genworth's First-Time homebuyer material suite can help.

See all we offer ▶

Self-Employed Borrower Tools

Valuable income calculation tools and reference guides for calculating self-employed borrower income.





Fannie Mae Form 1084 Calculator · Rental Income Calculator (2016-2017) · Freddie Mac Form 92 Calculator (2016-2017)
Freddie Mac Form 92 Calculator · Schedule Analysis Method (SAM) Calculator (2016-2017)

More Tools ▶

Homebuyer Education

Help first-time homebuyers prepare for the homebuying process. Your no-fee resource!



Master Policy Agreement

Partner with us. A master policy agreement is the first step to submitting MI loans to Genworth.

GET STARTED

Contract Services Agreement

Offset fixed underwriting costs as you adjust to the latest industry demands! Request a contract services underwriting agreement.

GET STARTED

Genworth MI Community

First-time homebuyers had a strong purchase year in 2017. Will that continue during 2018? Read what our very own Tian Liu has to say. ow.ly/d1r130kIHSJ

STAY CONNECTED

First-time U.S. home buying posts first time Americans who had never previously owned a home bought 411,000 single-family homes in realtor.com

Find My Sales Representative

ZIP Code 23114

View Your Team



Jean Carmichael
Inside Sales Representative
N: 319.846.2542
E: Jean.Carmichael@genworth.com



Mike Haboush
Regional Vice President
N: 800.267.1194
E: Mike.Haboush@genworth.com

Your Genworth Resources

- **ActionCenter®: 800 444.5664**
- **Your Local Genworth
Regional Underwriter**
- **Your Genworth Sales
Representative**

Legal Disclaimer

Genworth Mortgage Insurance is happy to provide you with these training materials. While we strive for accuracy, we also know that any discussion of laws and their application to particular facts is subject to individual interpretation, change, and other uncertainties. Our training is not intended as legal advice, and is not a substitute for advice of counsel. You should always check with your own legal advisors for interpretations of legal and compliance principles applicable to your business.

GENWORTH EXPRESSLY DISCLAIMS ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO THESE MATERIALS AND THE RELATED TRAINING. IN NO EVENT SHALL GENWORTH BE LIABLE FOR ANY DIRECT, INDIRECT, INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES OF ANY KIND WHATSOEVER WITH RESPECT TO THE TRAINING AND THE MATERIALS.

Loan Product Advisor®, Home Possible®, Home Possible Advantage® and CreditSmart® are registered trademarks of Freddie Mac
HomeOne MortgageSM is a service mark of Freddie Mac
ActionCenter® and Rate Express® are registered trademarks of Genworth Mortgage Insurance
Down Payment Resource® is a registered trademark of Work Force Resource LLC

Genworth Mortgage Insurance Offers A Comprehensive Suite Of Training Opportunities To Boost Your Know-How, Benefit Your Bottom Line, And Serve Your Borrowers Better. Visit new.mi.genworth.com To Learn More.