



Expanding Homeownership Responsibly with Freddie Mac® Home Possible

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VP, Affordable Lending & Access to Credit



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A ***Better*** Freddie Mac

...and a ***better*** housing finance system

For families

...innovating to improve the liquidity, stability and affordability of mortgage markets

For customers

...competing to earn their business

For taxpayers

...reducing their exposure to mortgage risks

Loan Advisor Suite...our vision is becoming reality



Loan Advisor SuiteSM



Loan Product AdvisorSM



Business Intelligence



Loan Closing AdvisorSM



Selling SystemSM



Loan Quality Advisor[®]



Loan Coverage AdvisorSM



Loan Collateral AdvisorSM



A Brighter Idea in Loan Production

Introducing the Freddie Mac Loan Advisor SuiteSM.
We're about to give you a whole lot more to support quality loan
production through a simpler, less costly process.

**For a free demonstration and to learn more, visit us at the
MBA Technology Conference, April 3-6, Booth 306.**

Smart. Simple. Trusted.SM

Loan Advisor SuiteSM

Certainty

Giving lenders ***confidence*** that the loans they originate meet the requirements for delivery and sale to Freddie Mac

Usability

Provide ***intuitive and easy-to-use tools***, with clear and actionable feedback

Lender Success

Reliability

Trust that our tools will be available, and perform, when lenders need them

Efficiency

Lower cost to originate via automated data assessment and focusing lender attention where it needs to be

Features and
Benefits

General
Requirements

Sources of
funds

Key Selling
Points and
Resources

A banner image showing a row of colorful houses (blue, yellow, and white) under a blue sky with white clouds. The houses are reflected in a glossy surface below them. To the right of the houses, there are several white, stylized, vertical bars of varying heights, resembling a bar chart or a fence.

Home Possible

Home Possible Mortgages – Features and Benefits



Responsible, high LTV mortgage options for first-time homebuyers, low- and moderate-income borrowers and move up buyers

Borrower Profile	Key Features	Borrower Benefits
<ul style="list-style-type: none">First-time homebuyersRepeat homebuyersFamilies in underserved areasNew immigrantsVery-low and low-to-moderate income borrowers	<ul style="list-style-type: none">Maximum LTV/TLTV:<ul style="list-style-type: none">Home Possible Advantage - 97% LTV / 105% TLTVHome Possible – 95% LTV / 95% TLTVEligible annual income of up to 100% of Area Median Income (higher in high cost areas)No income limit in underserved areasLender Paid Single Premium MI and Financed Single Premium MI allowedTemporary subsidy buydown allowedHomebuyer education only required for one borrower when all borrowers are First-Time Homebuyers	<ul style="list-style-type: none">Low down paymentNo minimum borrower contribution from personal fundsFlexible down payment and closing cost funding optionsNo cash-out refinancingNo reserves required on 1 unit owner-occupied properties (2 months reserves on 2-4 units)Homebuyer education available at no cost to the borrower

Home Possible Mortgages Eligibility Criteria*



Eligibility Criteria	Home Possible	Home Possible Advantage
Eligible Mortgages	<ul style="list-style-type: none"> – 15-, 20- and 30-year fixed – 5/1, 7/1 and 10/1 CMT- and LIBOR-indexed ARMS – Construction Conversion and Renovation Mortgages 	<ul style="list-style-type: none"> – 15-, 20- and 30-year fixed – Construction Conversion and Renovation Mortgages
Occupancy	Primary residence	Same
Property Type	1- to 4- units: Single-family, Condos, PUDs, Manufactured Housing (1-unit primary residences only)	1-unit: Single-family, Condo, PUD
Underwriting Method	Loan Prospector or Manual	Same
Other Income	Boat income (1-unit properties only) up to 30% of qualifying income from this source allowed if 12 months documentation of recent rent payments and continued rental arrangement included	Same
Fund Sources for Down Payment & Closing Costs	Gifts, grants, Affordable Seconds	Same

* See Freddie Mac *Single-Family Seller/Service Guide* for details.

From the *Single-Family Seller/Service Guide*
Chapter 4501

Flexible Sources of Funds

- Financing Concessions
 - » 3% of value for LTV/TLTV ratio > 90%
 - » 6% of value for LTV/T LTV ratio > 75% ≤ 90%
 - » 9% of value for LTV/TLTV ratio ≤ 75%
- Premium Financing
- Unsecured Loan: Originating Lender
(Refer to Guide Section 4204.3(b))

Borrower Personal Funds

- **Depository accounts**
- **Loan secured by Finan Asset**
- **Sale of Borrower Asset**
- **Cash on hand**
- **Trust disbursement**
- **Pooled funds**
 - **Credit card charges, cash advances or unsecured line of credit to pay fees associated with the Mortgage application process** (Refer to Guide Section 4501.10)
- **IDA:** *include matching funds only if not subject to recapture tax*
- **Rent Credits**
- **Trade Equity**
- **Community Savings deposited by the Borrower**

Other Borrower Funds

- **Gifts—Related Person**
- **Gift/Grant:** Agency or Seller (as the originating lender)
- **Affordable Seconds**
- **Secondary Financing** (must be Affordable Second)
- **Employer Assisted Homeownership Benefit**
- **IDA:** matching funds subject to recapture tax
- **Unsecured loan:** Agency/Related Person or Community Savings Systems (funds in excess of Borrowers contribution)
- **Sweat equity** (once 5% downpayment from personal funds has been met)



Key Selling Points and Resources

- High LTV – No minimum down payment
- Higher AMI limits (100% AMI; 100%+ in high cost areas)(not just 80% AMI) means broader borrower income eligibility so more borrowers will qualify
- No income limit on properties located in underserved areas
- Flexible sources of funds
- Free homebuyer education – Credit Smart
- Can use Loan Prospector/Loan Product Advisor to provide greater certainty that the loan meets purchase requirements

Why choose Home Possible over FHA?

Mortgage Insurance **Home Possible** vs. **FHA**

Ends when LTV < 80%

Stays for the life of the loan

**Conventional MI: monthly
OR single premiums**

**FHA: Upfront AND monthly
premiums**

**Only required if the LTV is 80%
or higher**

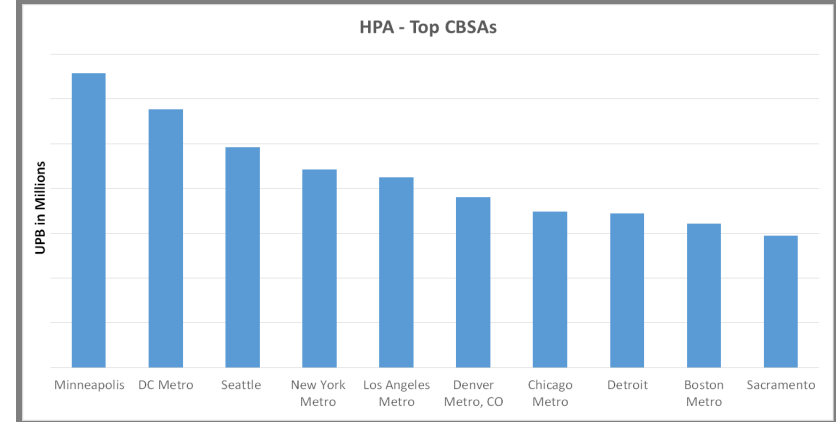
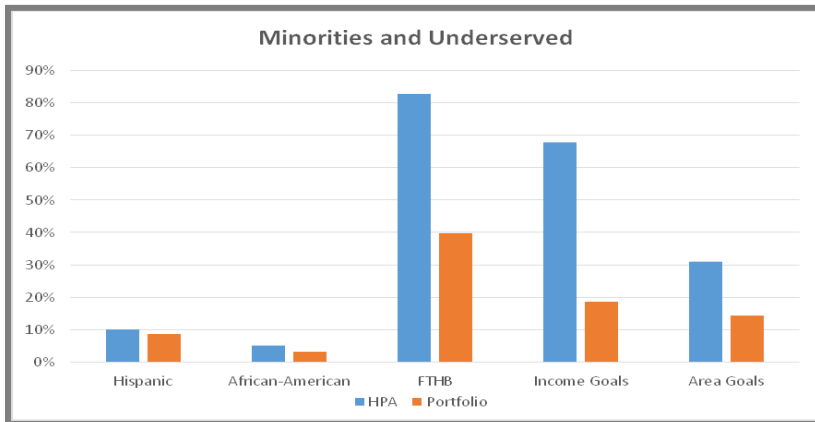
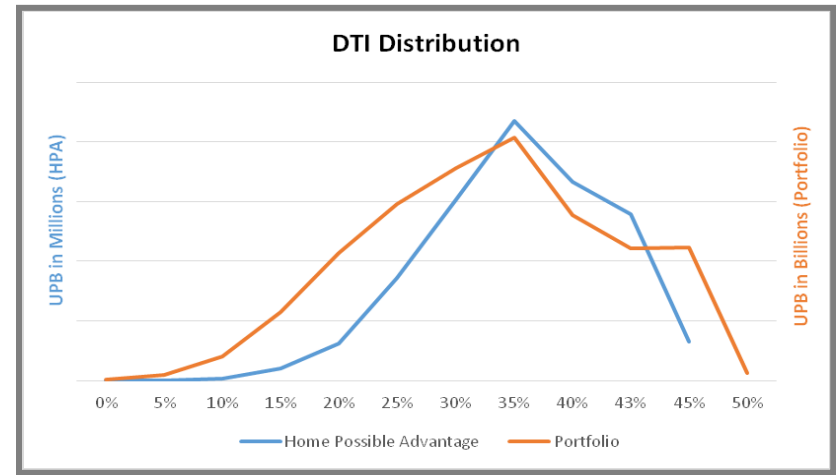
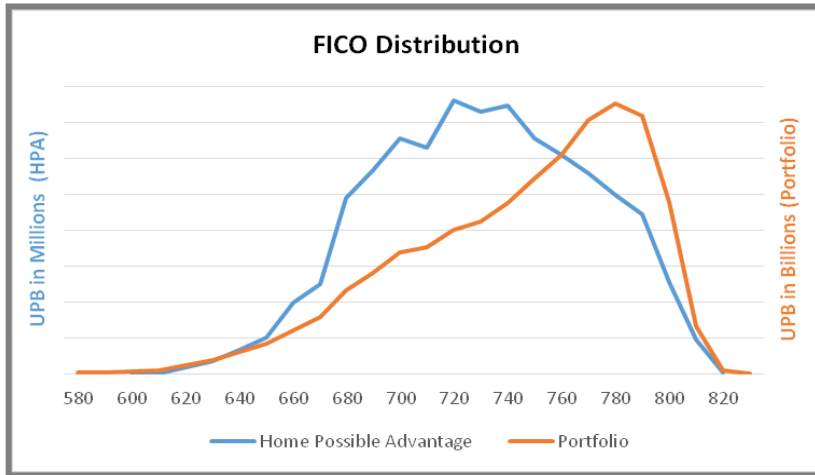
**Required regardless
of the LTV**

**Down payment funds
applied to principal**

**Down payment funds applied
to principal AND upfront PMI**

WHAT THIS MEANS: With more funds applied toward the principal upfront, a Home Possible mortgage with PMI lets the borrower build equity faster.

Moving Affordable Lending Forward with Home Possible



For more information on Home Possible



Connect With Us

FreddieMac.com/homepossible

Single-Family

Become a Freddie Mac Seller/Servicer

Originate and Underwrite

Sell and Deliver

Mortgage Products

Servicing

The Guide and Forms

Single-Family News Center

Subscription Center

The Learning Center

Housing Professionals

Multifamily

Debt Securities

Mortgage Securities

Credit Risk Offerings

Non-Performing Loan Transactions

Home Possible Mortgages

Offers Flexible Credit Terms and Low Down Payment Options

Important Note

Review *Single-Family Home Possible* n

Freddie Mac Home Possible mortgages are designed to meet borrowers' needs. With flexible credit terms and low down payment options, they offer a range of needs of low- and moderate-income borrowers.

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Product Features

Feature

Property Types

Eligible Mortgage Products

Single-Family

Become a Freddie Mac Seller/Servicer

Originate and Underwrite

Sell and Deliver

Mortgage Products

Servicing

The Guide and Forms

Single-Family News Center

Subscription Center

The Learning Center

Loan Coverage Advisor

Loan Quality Advisor

Underwriting

Selling and Delivery

Servicing

Home Possible® Mortgages

Easy to Print References

- [Home Possible At a Glance \(Effective January 2016\) \[PDF\]](#) Updated
- [Home Possible: At a Glance \[PDF\]](#)
- [Mortgage Products Training and Education Resources \[PDF\]](#)

Online Self-study

- [Home Possible Mortgages - Your Affordable Lending Solution Tutorial](#) - 20 min

Training Events

Workshop Web Event

- [Home Possible Mortgages](#) - 90 min

Additional Online Resources

- [Affordable Income & Property Eligibility](#)
- [Home Possible Mortgages Resource Center](#)
- [Home Possible Online Marketing Kit](#)

FreddieMac.com/learn/mp/homepossible.html

Also refer to
Guide Exhibit
19 for
postsettlement
fees that may
apply.



[f](#)
[in](#)
[YouTube](#)
[Twitter](#)

[www.FreddieMac.com/learn](#)

Single-Family

Become a Freddie Mac Seller/Servicer

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Mortgage Products

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The Learning Center

Loan Coverage Advisor

Loan Quality Advisor

Underwriting

Selling and Delivery

Servicing

Mortgage Products

Training Events

The Learning Center



Special Resources

- New Customer Training
- Quick References
- Learning Center Updates
- Glossary

Guide Reorganization

- Using the Reorganized Single-Family Seller/Service Guide – An Overview (webinar)

Underwriting [More](#)

- The Uniform Appraisal Dataset and the UCDP
- Income and Assets
- Loan Prospector Functionality

Training Events [More](#)

- List by Course Name | Date | Location
- Distance Learning
- Classroom Workshop Information



Loan Coverage Advisor [More](#)

- Overview of the Selling Representation and Warranty Framework [PDF]
- Loan Coverage Advisor (webinar)

Mortgage Products [More](#)

- Home Possible® Mortgages
- Freddie Mac Relief Refinance Program

Affordable Income & Property Eligibility Tool



[Doing Business with Freddie Mac](#)[About Freddie Mac](#)[About Homeownership](#)

[Single Family Home](#)[Underwrite and Process Loans](#)[Sell and Deliver Loans](#)[Mortgage Products](#)[Service Loans](#)[Account Management](#)[Forms and the Guide](#)[Training and Education](#)

Affordable Income & Property Eligibility

Quick Lookup

Choose a State

Tips for Using Quick Lookup

Enter a City or County or Census Tract Number

Affordable Mortgage Requirements

For certain Freddie Mac mortgage offerings, the borrower's annual income must meet the following requirements:

- > The Borrower's annual income must be equal to or less than the area median income. [Income eligibility requirements](#) may be different in high cost areas. An exception to the income requirements exists for properties located in designated "[Underserved Areas](#)." Area median income requirements do not apply when borrowers finance a property located in an Underserved Area.
- > Underserved Areas are determined at the census tract level. Census tracts generally comprise smaller areas than counties.

With Quick Lookup, You Can Find:

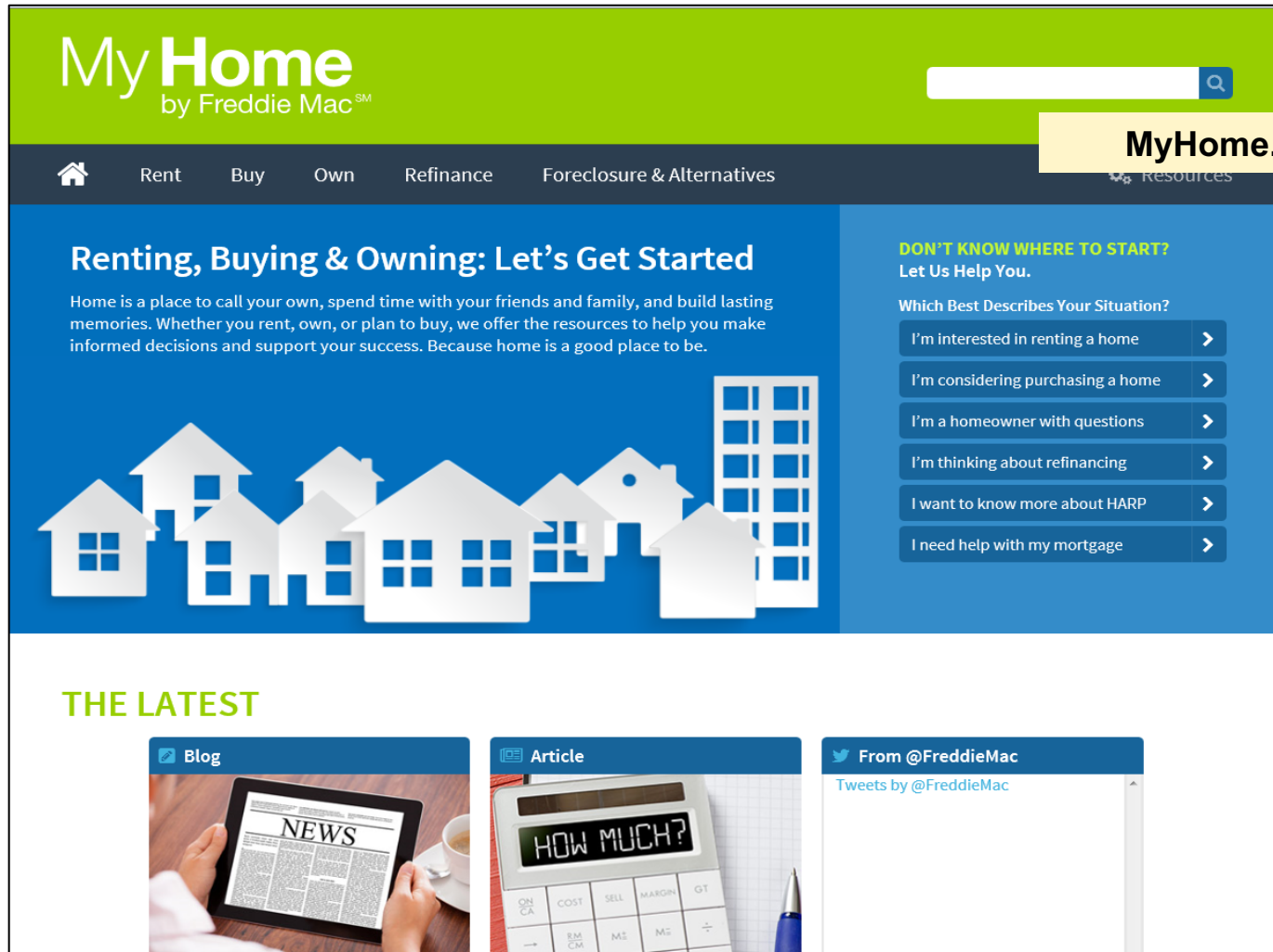
- > Area Median Income Listings by County
- > Designated Underserved Area Census Tracts

Formatting Tips for entering City or County or Census Tract Numbers:

- > For City, enter the name only (cities starting with St. enter as one continuous name, no space)

<http://ww3.freddie.mac.com/ds2/sell/affgold.nsf/frmHomePage?OpenForm>

Website for consumers on renting, buying and owning a home



The screenshot shows the homepage of the MyHome by Freddie Mac website. The header is green with the 'MyHome by Freddie Mac' logo and a search bar. Below the header is a dark blue navigation bar with links: Home, Rent, Buy, Own, Refinance, Foreclosure & Alternatives, and Resources. The main content area has a blue background with the heading 'Renting, Buying & Owning: Let's Get Started'. Below this heading is a paragraph about home ownership and a graphic of white house silhouettes. To the right, there is a section titled 'DON'T KNOW WHERE TO START? Let Us Help You.' with a list of six buttons: 'I'm interested in renting a home', 'I'm considering purchasing a home', 'I'm a homeowner with questions', 'I'm thinking about refinancing', 'I want to know more about HARP', and 'I need help with my mortgage'. Below this is a section titled 'THE LATEST' with three sub-sections: 'Blog' (showing a tablet with a news article), 'Article' (showing a calculator with 'HOW MUCH?' on the display), and 'From @FreddieMac' (showing a tweet).

MyHome
by Freddie MacSM

Rent Buy Own Refinance Foreclosure & Alternatives Resources

Renting, Buying & Owning: Let's Get Started

Home is a place to call your own, spend time with your friends and family, and build lasting memories. Whether you rent, own, or plan to buy, we offer the resources to help you make informed decisions and support your success. Because home is a good place to be.

DON'T KNOW WHERE TO START?
Let Us Help You.

Which Best Describes Your Situation?

- I'm interested in renting a home
- I'm considering purchasing a home
- I'm a homeowner with questions
- I'm thinking about refinancing
- I want to know more about HARP
- I need help with my mortgage

THE LATEST

Blog

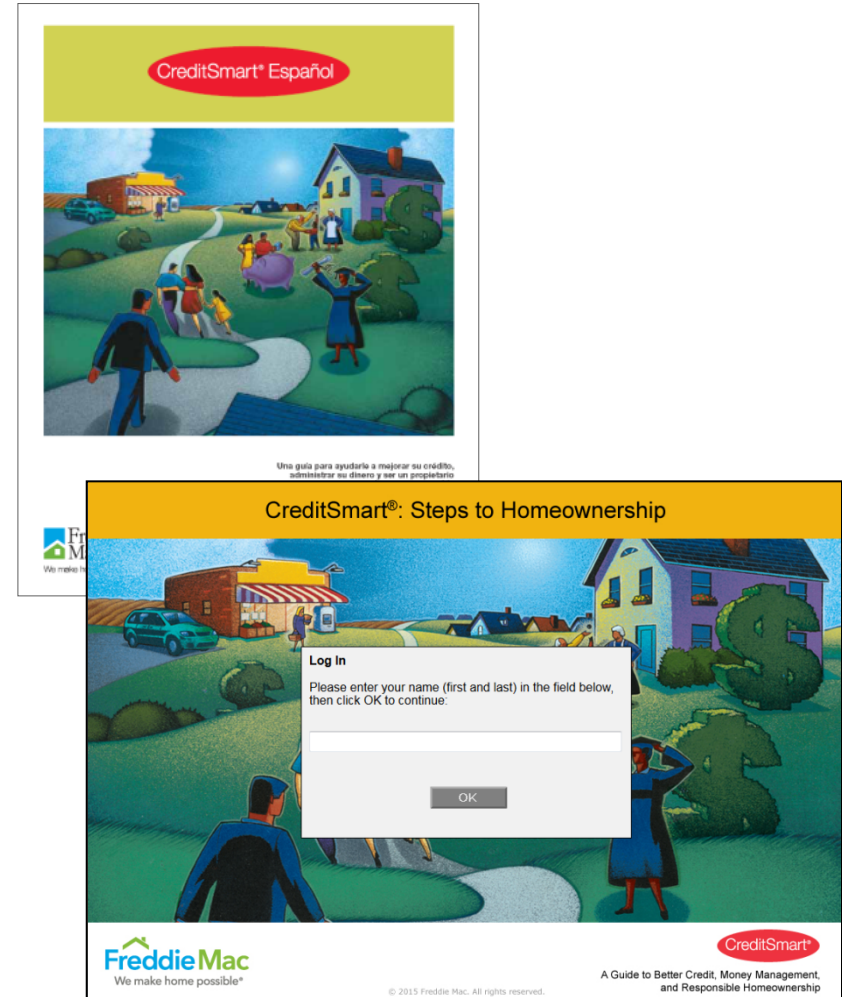
Article

From @FreddieMac
Tweets by @FreddieMac

MyHome.FreddieMac.com

- Financial education curriculum
 - » 12 financial education modules
 - » Available online and in multiple languages
 - » Use CreditSmart workshops to gain entry to realtor shops
 - » Counts for CRA credit

FreddieMac.com/CreditSmart

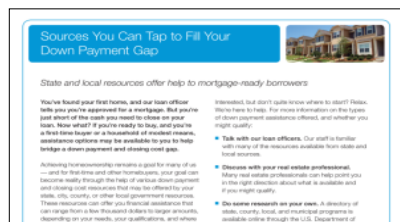


- Work with trusted **national nonprofit intermediaries**
- Support Freddie Mac's ongoing commitment of:
 - » **Preparing prospective buyers** for responsible homeownership
 - » **Helping struggling borrowers** with Freddie Mac-owned mortgages avoid foreclosure
- HUD-certified counselors
- 13 locations across the country
- Work with lenders in minority and underserved communities

Down payment assistance education



- Helps lenders generate sustainable first-time homeowner business and close more loans.
- Provides homebuyers in-depth information about available down-payment and closing-cost options.
- Real-estate professional and borrower presentations and fact sheets are available.*



* Available on FreddieMac.com

What does this all mean for YOU and YOUR borrower?



- **Low interest rates** and lower home prices will continue **homebuyer affordability**
- Build business from **first-time homebuyers**
- Prepare for **changing demographics**
- **Qualified first-time homebuyers need your help** to overcome misconceptions and concerns
- Freddie Mac provides a **wide variety of products and offerings** to help you attract well-qualified buyers

Q&A