

## Freddie Mac Refi Possible Conforming Loan Amounts Only

Fixed Rate

Primary Residence Limited Cash-Out (Rate/Term) Refinance			
Property Type	LTV/CLTV	Loan Amount	Credit Score
1-unit SFR/PUD/Condo	97% <sup>1,2</sup>	Conforming	No minimum
Manufactured Home	95% <sup>1,2</sup>	Conforming	No minimum

**Footnotes:**

1. Transactions with a non-occupant co-borrower are limited to maximum 95% LTV/CLTV
2. CLTV up to 105% allowed when a Community Second is being resubordinated
3. Minimum credit score not required, however each borrower must have a credit score

### Overview

- Freddie Mac's Refi Possible is a refinance option designed for low-income borrowers by offering expanded eligibility to benefit borrowers at or below **100%** of the area median income (AMI) limit
- LPA will determine income eligibility for the mortgage. The AMI for a specific area may be looked up by using Freddie Mac's [Refi Possible Income and Property Eligibility Tool](#) and entering the property address.

**NOTE:** It is imperative to use Freddie Mac's AMI information; the AMI estimates posted on HUDs website **should not be used**

- If an appraisal is required, Freddie Mac will provide a \$500 credit which must be passed on to the borrower

### General Requirements

- The loan being refinanced must currently be owned by Freddie Mac
- The borrower's **qualifying** income (income from all borrowers who will sign the Note) must be  $\leq$  80% of the 2022 AMI limit for the area where the property is located. If the borrower has other income that is **not** used for qualifying, that other income is **not** included when determining if AMI requirement has been met
- The refinanced loan must provide the following borrower benefits:
  - A reduction in the interest rate of at least 50 basis points, **AND**
  - A reduction in the borrower's monthly principal, interest, and mortgage payment (if applicable)
- All borrowers on the loan being refinanced **must be on the new loan** (see the [Borrower Eligibility](#) topic for exception); borrowers **cannot** be added to the new loan

To determine if Freddie Mac owns a loan click the link below and enter the requested information:

[Freddie Mac Loan Look-Up Tool](#)

## Freddie Mac Refi Possible Program

Topic	Guideline
<b>4506-C</b>	<ul style="list-style-type: none"> <li>Signed 4506-C required prior to loan closing for both personal and business tax returns (if applicable)</li> <li>Tax transcripts are <b>not</b> required</li> </ul> <p style="text-align: center;">NOTE: At underwriter discretion transcripts may be required in certain circumstances (e.g. handwritten paystubs, borrower employed by family member, etc.)</p> <ul style="list-style-type: none"> <li>Homebridge will order transcripts at random for quality control purposes</li> </ul>
<b>Appraisal</b>	<ul style="list-style-type: none"> <li>LPA determines the appraisal requirement. If an automated collateral evaluation (ACE) is offered by LPA, it must be on the final LPA finding</li> <li>A minimum of 3 closed comparable sales are required. The source of the closed comparable sales used in the appraisal must be from one of the following or a desk review will be required: <ul style="list-style-type: none"> <li>A Multiple Listing Service (<a href="http://MLS.com">MLS.com</a>), or</li> <li>MRIS (<a href="http://www.mris.com">www.mris.com</a>), or</li> <li>Midwest Real Estate Dated (MRED) (<a href="http://www.mredllc.com">www.mredllc.com</a>), or</li> <li>North Texas Real Estate Information Systems, Inc. (NTREIS) at (<a href="http://www.ntreis.net">www.ntreis.net</a>), or</li> <li>San Antonio Board of Realtors (<a href="http://www.sabor.com">www.sabor.com</a>), or</li> <li>GeoData at <a href="http://www.geodataplus.com">www.geodataplus.com</a> , or</li> <li>Comps Inc. at <a href="http://www.compsny.com">www.compsny.com</a>.</li> </ul> </li> </ul> <p style="text-align: center;">NOTE: Comparables from a public independent source are only eligible in the states of Maine, New Hampshire, and Vermont</p> <ul style="list-style-type: none"> <li>If an appraisal is required, Freddie Mac will provide a \$500 credit which must be passed on to the borrower</li> </ul>
<b>Appraisal Management Companies (AMC)</b>	<p>Appraisals must be requested from the AMC assigned by Homebridge by region/territory as follows:</p> <ul style="list-style-type: none"> <li>Colorado, New Mexico, Oklahoma, and Texas: <a href="#">Nationwide Property &amp; Appraisal Services</a></li> <li>Northeast: <a href="#">Fastapp Appraisal Management</a></li> <li>Midwest: <a href="#">Nationwide Property &amp; Appraisal Services</a></li> <li>New England: <a href="#">Nadlan Valuation</a></li> <li>Northwest/Southwest/Central: <a href="#">Axis Management Solutions</a></li> <li>Southeast: <a href="#">Nationwide Appraisal Network</a></li> <li>West: <a href="#">Golden State AMC</a></li> </ul> <p>Brokers assigned to the Homebridge Inside Sales team are required to request appraisals as follows:</p> <ul style="list-style-type: none"> <li>Inside Sales Team – East: <a href="#">Nationwide Property &amp; Appraisal Services</a></li> <li>Inside Sales Team – West: <a href="#">Golden State AMC</a></li> </ul> <p>To view a map of the territories, broken down by state, click here <a href="#">Homebridge Wholesale</a></p>
<b>Assets</b>	<ul style="list-style-type: none"> <li><b>Funds to Close &gt; \$500:</b> Verification of funds to close <b>required</b> <ul style="list-style-type: none"> <li>Acceptable documentation includes one recent account statement showing asset balance (monthly, quarterly, or annual statement, as applicable)</li> </ul> </li> <li><b>Funds to Close ≤ \$500:</b> Verification of funds to close <b>not required</b></li> </ul>
<b>AUS</b>	LPA "Accept/Eligible" Finding required. Manual underwrite is <b>not</b> eligible
<b>Available Markets</b>	<ul style="list-style-type: none"> <li>All 50 states</li> <li>Guam, Puerto Rico and the Virgin Islands are ineligible</li> </ul>

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<b>Borrower Benefit</b>	<ul style="list-style-type: none"> <li>The refinanced loan must provide the following benefits to the borrower: <ul style="list-style-type: none"> <li>A reduction in the interest rate of at least 50 basis points, <b>and</b></li> <li>A reduction in the borrower's monthly principal, interest, and mortgage insurance (if applicable) payment</li> </ul> </li> </ul>
<b>Borrower Eligibility</b>	<ul style="list-style-type: none"> <li><b>All borrowers on the current loan must be on the new loan</b> <ul style="list-style-type: none"> <li>Borrower(s) <b>cannot be removed</b> (see exception below), <b>and</b></li> <li>New borrower(s) <b>cannot</b> be added</li> </ul> </li> <li><b>Exception:</b> One or more borrowers may be removed <b>only if one of the following applies:</b> <ul style="list-style-type: none"> <li>The remaining borrower(s) must provide evidence that they have made the mortgage payments from their own funds for at least the previous 12 months, including any secondary financing, <b>OR</b></li> <li>The borrower being removed is deceased and evidence documenting the borrower's death is provided (e.g. death certificate) and it is documented in the loan file.</li> </ul> </li> <li>In <b>all</b> cases, at least one borrower on the current loan must be on the new loan</li> <li>Borrowers previously convicted of mortgage fraud are <b>ineligible</b>.</li> <li>Non-occupant co-borrowers are acceptable provided they are on the current loan</li> </ul>
<b>Cash Back to Borrower</b>	Maximum cash back to borrower is \$250.00. Any funds in excess of \$250 must be applied as a principal reduction
<b>Credit Report</b>	<ul style="list-style-type: none"> <li>A tri-merged credit report is required for all borrowers</li> <li>The borrower(s) must address <b>all</b> credit inquiries indicated on the credit report within the previous 90 days, specifically <b>stating the name of the creditor(s)</b> and the result of the inquiry/inquiries (i.e. was new credit obtained or not). Examples of acceptable/unacceptable responses below: <ul style="list-style-type: none"> <li><b>Acceptable Response:</b> "The inquiry/inquiries by Bank of America, Wells Fargo, etc. did not result in additional credit"</li> <li><b>Unacceptable Response:</b> "We did not obtain any additional credit as a result of the credit inquiry/inquiries listed on our credit report" (unacceptable since name of creditors <b>not</b> listed)</li> </ul> </li> <li>The credit report must be dated within 120 days of the Note date</li> </ul>
<b>Credit Scores</b>	<ul style="list-style-type: none"> <li>Minimum credit score not required, however each borrower must have a credit score which must be documented</li> <li>An LPA "Accept" finding is required</li> </ul>
<b>Derogatory Credit Events</b>	Standard Freddie Mac derogatory credit requirements and waiting periods apply
<b>DTI</b>	Maximum 65%
<b>Escrow/Impound Account</b>	<ul style="list-style-type: none"> <li>&gt; 80% LTV required unless prohibited by state law: CA loans <math>\geq</math> 90% LTV</li> <li><math>\leq</math> 80% LTV not required; refer to HB rate sheet for pricing adjustment</li> </ul> <p><b>Reminder:</b> If flood insurance is required, escrow/impounds are required regardless of LTV; escrows cannot be waived</p>
<b>Existing Loan Requirements</b>	<p>The existing loan must:</p> <ul style="list-style-type: none"> <li>Currently be owned by Freddie Mac</li> <li>Be seasoned a minimum of 12 months (measured from the original Note date to the Note date of the new loan)</li> <li>Not be a Freddie Mac Relief Refinance or Enhanced Relief Refinance Mortgage</li> <li>Not be a Refi Possible Mortgage,</li> <li>Not be subject to recourse, outstanding repurchase request, indemnification, or credit enhancement other than MI (unless the new loan is also subject to credit enhancement or it is no longer required)</li> </ul>
<b>Income Limit</b>	<ul style="list-style-type: none"> <li>The borrower's <b>qualifying</b> income (income from all borrowers <b>who will sign the Note</b>) must be <math>\leq</math> <b>100%</b> of the 2022 AMI limit for the area where the property is located.</li> <li>If the borrower has other income that is <b>not</b> used for qualifying, that other income is <b>not</b> included when determining if AMI requirement has been met</li> </ul>

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<b>Income Documentation</b>	Income documentation requirements:	
	<b>Income Type</b>	<b>Minimum Documentation Requirements</b>
	<b>Base Pay (non-fluctuating) (primary borrower only)</b>	Borrower(s) most recent paystub, with YTD income
	<b>Base Pay (fluctuating): Hourly, Tip, Bonus, OT, Commission (primary borrower only)</b>	<ul style="list-style-type: none"> <li>Borrower's most recent paystub with YTD income, <b>and</b></li> <li>W-2 covering the most recent one-year period</li> </ul>
	<b>Military</b>	Leave and Earnings Statement
	<b>Self-Employment</b>	<ul style="list-style-type: none"> <li>One-year personal and business tax returns, <b>and</b></li> <li>Verification of business by third party source required</li> </ul>
	<b>Alimony, Child Support, Separate Maintenance</b>	<ul style="list-style-type: none"> <li>Copy of divorce decree, separation agreement, court order or equivalent documentation that includes the amount and duration of the payment, <b>and</b></li> <li>Documentation of one-month's receipt</li> </ul>
<b>All Other Eligible Income Types</b>	Standard Freddie Mac requirements apply	
<b>LDP/GSA and Mortgage Fraud</b>	<ul style="list-style-type: none"> <li><b>LDP / GSA</b> <a href="#">LDP / GSA</a> All of the following parties to the transaction, as applicable, must be checked against HUD's Limited Denial of Participation list and the General Service Administration's Excluded Parties List System. <ul style="list-style-type: none"> <li>Borrower(s) and Borrower(s) AKA name (if applicable)</li> <li>Seller(s),</li> <li>Real Estate Listing and Selling Agent(s),</li> <li>Appraiser,</li> <li>Appraisal Company (<b>not</b> the AMC)</li> <li>Broker</li> <li>Loan Officer, Loan Officer Assistant</li> <li>Loan Processor,</li> <li>Underwriter,</li> <li>Closing/Settlement Agent,</li> <li>Title/Settlement Company, and</li> <li>203(k) Consultant</li> </ul> </li> <li>Any transaction where any of the interested parties to the transaction have been convicted of mortgage fraud will require review and approval by Homebridge management.</li> </ul>	
<b>Mortgage Insurance</b>	LTV > 80% requires mortgage insurance. Standard Freddie Mac mortgage insurance policies apply; refer to the Mortgage Insurance topic in the <a href="#">Freddie Mac Conforming and Super Conforming</a> guidelines posted on the Homebridge website Products and Guidelines page for MI details	
<b>Mortgage History</b>	Mortgage history for the loan being refinanced is subject to the following: <ul style="list-style-type: none"> <li>0x30 in most recent 6 months, <b>and</b></li> <li>No more than 1x30 in months 7 through 12, <b>and</b></li> <li>0x60 in the most recent 12 months</li> </ul> The Homebridge underwriter is responsible to confirm the mortgage history requirement is met <b>NOTE:</b> If the borrower has missed payments due to COVID-19 forbearance and those payments have been resolved per Freddie Mac policy those missed payments are not considered delinquencies when determining mortgage history eligibility. The mortgage must be current as of the Note date of the new loan and the delinquencies during the COVID-19 forbearance are not reported on the credit report  Refer to the Mortgage/Rental History topic in the <a href="#">Freddie Mac Conforming and Super Conforming</a> guidelines posted on the Homebridge website Products and Guidelines page for forbearance plan requirements	

## Freddie Mac Refi Possible Program

<b>Occupancy</b>	1-unit owner-occupied primary residence
<b>Products</b>	Fixed rate with 30 year loan term
<b>Properties – Eligible</b>	<ul style="list-style-type: none"> <li>1-unit single family residence/PUD (attached/detached)</li> <li>Condominium (attached/detached). Project review not required; Homebridge must verify not an ineligible project (e.g. condotel, timeshare, segmented ownership project, etc.) <b>and</b> confirm the appropriate property and flood insurance (if applicable) is obtained</li> <li>Multi-wide manufactured home (double/triple)</li> </ul>
<b>Properties – Ineligible</b>	<ul style="list-style-type: none"> <li>2-4 units</li> <li>Condotels</li> <li>Co-ops</li> </ul>
<b>Subordinate Financing</b>	<ul style="list-style-type: none"> <li>Existing subordinate financing: <ul style="list-style-type: none"> <li>- Cannot be paid off with proceeds from the new loan</li> <li>- May remain in place if it is resubordinated to the new loan</li> <li>- May be simultaneously refinanced with the existing first lien provided: <ul style="list-style-type: none"> <li>- The unpaid principal balance (UPB) of the new subordinate lien is not more than the UPB of the subordinate lien being refinanced at the time of payoff, and</li> <li>- There is no increase in the monthly principal and interest payment on the subordinate lien</li> </ul> </li> </ul> </li> <li>New subordinate financing is <b>only permitted if it replaces existing subordinate financing</b></li> </ul>
<b>Transactions – Eligible</b>	Limited cash-out refinance (rate/term) <b>NOTE:</b> Refi Possible is eligible for one time use
<b>Transactions – Existing Loan Ineligibility</b>	<p>If any of the following apply to the <b>existing loan</b> the loan is <b>ineligible</b> for refinancing under the Refi Possible program.</p> <ul style="list-style-type: none"> <li>The loan is <b>not</b> owned by Freddie Mac</li> <li>The loan is not seasoned <math>\geq 12</math> months (the new loan cannot close until the existing loan is seasoned at least 12 months)</li> <li>The loan is not a first lien conventional loan</li> <li>The existing loan was originated as a Freddie Mac Relief Refinance, Enhanced Relief Refinance Mortgage, or Refi Possible</li> <li>The loan is currently subject to recourse, outstanding repurchase request, indemnification, or credit enhancement other than MI (unless the new loan is also subject to credit enhancement or it is no longer required)</li> </ul>
<b>Transactions – New Loan Ineligibility</b>	<p>The following features are <b>ineligible</b> for the new Refi Possible loan:</p> <ul style="list-style-type: none"> <li>High-balance loan amount,</li> <li>DTI exceeds 65%,</li> <li>Loan originated as a Texas Section 50(a)(6) aka Texas equity</li> </ul>