

Primary Residence – Owner Occupied			
Transaction	FICO	Number of Units	Maximum LTV/CLTV
Purchase, Rate / Term	620	1 – Units	95%
		2 – Units	85
		3 – 4 Units	80
Cash-Out Refinance	620	1 - Unit	80
		2-4 Units	75
Second Home			
Transaction	FICO	Number of Units	Maximum LTV/CLTV
Purchase, Rate / Term	620	1 – Unit	90
Cash-Out Refinance	620	1 – Unit	75
Investment Property – Non-Owner Occupied			
Transaction	FICO	Number of Units	Maximum LTV/CLTV
Purchase, Rate / Term	620	1 – Unit	80
		2 - 4 Units	75
Cash-Out Refinance	620	1 – Unit	75
		2 - 4 Units	70

Agency Conforming LP Product Codes:			
15 Year Fixed LP	1301-01	15 Year LP LPMI	1320-01
20 Year Fixed LP	1201-01	20 Year LP LPMI	1220-01
25 Year Fixed LP	1101-01	25 Year LP LPMI	1120-01
30 Year Fixed LP	1001-01	30 Year LP LPMI	1020-01
Agency Conforming LP Super Conforming Product Codes:			
15 Year Fixed Super Conforming	1353-01	15 Year Fixed Super Conforming LPMI	1354-01
30 Year Fixed Super Conforming	1053-01	30 Year Fixed Super Conforming LPMI	1054-01

Highlights

Topic	Highlights
1031 Exchange	Allowed for investment property purchase transactions only.
4506 Transcripts	Transcripts are required per income documentation type in the loan file.
Appraisal	<p>Automated Collateral Evaluation (ACE):</p> <ul style="list-style-type: none"> • Appraisers listed on Freddie Mac's exclusionary list are not eligible. • The ACE option may not be exercised if an appraisal has already been obtained. • Eligible transactions for ACE: <ul style="list-style-type: none"> ▪ The mortgage must be secured by a one-unit primary residence or second home. ▪ The mortgage must have a LTV/TLTV ratio less than or equal to 80%. ▪ The mortgage must be a purchase transaction or a no cash-out refinance. ▪ LPA findings must be "Appraisal/Type MAF – NO APPRAISAL MAF". • Ineligible transactions for ACE: <ul style="list-style-type: none"> ▪ Mortgages secured by a condominium unit. ▪ Mortgages secured by a subject property with resale restrictions. ▪ Open Access transaction. ▪ Non arms-length transactions ▪ Purchases of REO properties as identified in the sales contract. ▪ Mortgages with an estimate of value or a purchase price greater than \$1,000,000. ▪ When it is required by law or regulation to obtain an appraisal. ▪ Properties located in an area recently impacted by a disaster.

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	<ul style="list-style-type: none"> ▪ Properties with a contaminated site or where a hazardous substance exists affecting the property or the neighborhood where the property is located. ▪ Properties with adverse physical property conditions that are apparent based on the review of the sales contract, property inspections, disclosures from the borrower, etc. • Appraisal updates must be reported only on <i>Form 442, Appraisal Update and/or Completion Report</i>.
ARMs	Not Allowed
AUS	<ul style="list-style-type: none"> • Loan Product Advisor (LPA) Accept decision is required. • The requirements of the <i>Loan Prospector Documentation Matrix</i> must be met in addition to the LP findings requirements.
Borrower Eligibility	<p>The following borrowers are eligible:</p> <ul style="list-style-type: none"> • Maximum four borrowers per loan transaction. • All borrowers must be natural persons or an eligible <i>inter-vivos</i> living trust. <ul style="list-style-type: none"> ▪ Non-owner occupied transactions may not close in the name of a trust. • All borrowers must have a valid social security number. <ul style="list-style-type: none"> ▪ For non-U.S. citizens a social security card may not be used as evidence of employment eligibility. ▪ ITINs are not allowed. • U.S. citizens. • Permanent Resident Aliens must provide the following documentation: <ul style="list-style-type: none"> ▪ Permanent Resident Alien card (“green card”); or ▪ A passport with a USCIS I-551 stamp. • Non-Permanent Resident Aliens must provide the following: <ul style="list-style-type: none"> ▪ Employment Authorization Document (EAD card); or ▪ An acceptable Visa: <ul style="list-style-type: none"> ○ E-1 Visa; ○ G Series Visa: G-1, G-2, G-3, G-4, G-5; ○ H-1 Visa; ○ L-1 Visa; and ○ TN Visa (NAFTA) • If authorization for non-permanent residency status will expire within three months, obtain confirmation from USCIS that the employer has re-filed a petition of extension. If there are no prior renewals the likelihood of renewal must be determined based on information from USCIS such as: <ul style="list-style-type: none"> ▪ A valid passport; ▪ A letter from the employer/sponsor; and ▪ Form I-94 proving work authorization. • Non-permanent residents must be employed in the United States if their income is used to qualify for the loan. • If a non-permanent resident alien is borrowing with a U.S. citizen the documentation requirements still apply and are not eliminated or reduced. <p>The following borrowers are ineligible:</p> <ul style="list-style-type: none"> • Borrowers with diplomatic immunity; • Foreign Politically Exposed persons; • Borrowers with Temporary Protected Status; • Borrowers with Deferred Enforced Departure; or • Borrowers with Humanitarian Parole.

Buy Downs	Temporary buy downs are not allowed.
Coastal Barrier Resources Systems	Flood insurance is required whether or not the subject property is located in a Special Flood Hazard Area (SFHA). Properties located in an SFHA where the community is not participating in the National Flood Insurance Program (NFIP) are not eligible.
Collateral UAD Compliance Findings	<ul style="list-style-type: none"> • Properties with UCDP Quality or Risk Scores of 3 to 5 and 99 require an AVM to support value. • Properties where UCDP indicates the appraisal is not eligible for rep and warrant relief also require an AVM to support value regardless of the Quality or Risk Score. • Properties with UCDP Quality or Risk Scores of 4 and 5 must be reviewed by underwriting management.
Condominiums	<ul style="list-style-type: none"> • Condominium projects must meet Freddie Mac condominium guidelines. • The following condo projects and condo types are ineligible: <ul style="list-style-type: none"> ▪ Hawaiian projects that are subject to ground leases; ▪ Freddie Mac ineligible projects; ▪ Continuing care retirement communities; ▪ Manufactured home projects; ▪ Multi-dwelling unit condos; ▪ New condo projects where seller concessions are not disclosed on the Settlement Statement; ▪ Condo Hotels, including projects with the following characteristics regardless of what is reflected in the CCRs: <ul style="list-style-type: none"> ○ Projects that are operated and managed as a hotel or similar type of transient property even when the units are individually owned; ○ Projects that include hotel type services and characteristics such as registration services, rentals of units on a daily basis, daily cleaning services, central telephone service, central key systems, and restrictions on decorating. ○ Projects with mandatory or voluntary rental pooling; revenue sharing agreements or similar agreements that restrict the unit owner’s ability to occupy the unit; and ○ Projects with names that include the words “hotel”, “motel”, “inn”, “lodge”, or a branded hotel chain or name unless the project does not have the characteristics of a hotel or similar type of transient housing.
Construction to Perm	Not Allowed
Credit Score	620 minimum
Deed Restrictions	Age related only. All other deed restrictions are ineligible.
Frozen Credit	Loans where credit is frozen are ineligible
Future Income	The borrower(s) must begin employment before the loan is closed. Income documentation per LPA findings must be provided.
Ineligible Programs	<ul style="list-style-type: none"> • A-Minus and Caution Mortgages • Affordable Merit Rate Mortgages • Converted or Modified Mortgages • Hardest Hit Funds Mortgage • Incomplete Improvement Loans • New Energy Conservation Improvement Loans • Properties with PACE or PACE-Like Obligations or Assessment • Renovation Mortgages • Temporary Buy Downs

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Ineligible Properties	<ul style="list-style-type: none"> • Assisted Living Facilities • Bed and Breakfast Establishments • Board and Care Facilities • Boarding houses • Condo Hotels • Co-ops • Dome or Log Homes • Hawaiian Properties Located in Lava Zones 1 and 2 • Houseboats • Indian Leased Land • Indian Tribal Trust Land • Leaseholds • Legal Non-Conforming Properties where zoning regulations prohibit re-building • Manufactured Homes • Mobile Homes • Properties Located Outside the 50 United States and District of Columbia • Properties with C5, C6, or Q6 Ratings • Properties that are not readily accessible by roads that meet local standards • Properties that are not suitable for year-round occupancy regardless of location • Timeshares • Working Farms or Ranches
Leasehold	Not allowed
Manual Underwriting	Not allowed
Manufactured Home	Not allowed
Marijuana Related Business	Income from a marijuana related business is not allowed.
Maximum Financed Properties	Each borrower individually and all borrowers collectively must not be obligated on more than six one-to-four unit financed properties including the subject property and the borrower's primary residence.
Mortgage Insurance	LPMI not allowed on Super Conforming
Power-of-Attorney	<p>The Power of Attorney (POA) may only be used for closing documents and must comply with the following:</p> <p>Ineligible Transaction Types: Powers of Attorney are not permitted with the following transaction types:</p> <ul style="list-style-type: none"> • Cash-Out Refinances • Non-Owner-Occupied Transactions • Title Taken as a Trust • Identity of Interest or Non-Arm's Length Transactions • Non-Occupant Co-Borrowers may not use a POA. <p>Requirements:</p> <ul style="list-style-type: none"> • At least one borrower must be present at closing, unless a face-to-face interview has been conducted with all applicants. • A separate, executed POA must exist for each borrower not present at closing and the Attorney-in-Fact must execute all closing documents at Settlement. • The POA must be Specific, Special, Limited or Military. • The POA must specifically identify the subject property address.

	<ul style="list-style-type: none"> • The POA must clearly reflect that the borrower is appointing an Attorney-in-Fact. • General Powers-of-Attorney are not acceptable. • The Attorney-in-Fact may not be: <ul style="list-style-type: none"> ▪ The lender, affiliate of the lender, employee of the lender or lender’s affiliate, originator, title company, closing agent, property seller, appraiser, realtor, a party to the transaction, a party with a direct or indirect financial interest in the transaction, or any other party deemed ineligible by Freddie Mac. • The borrower’s name(s) on the POA must match the name(s) on the Note, security instrument and other documents. • The POA must be signed and dated by the borrower such that it was valid at the time the Note or security instrument was executed. • A notarized signature of the grantor is required. If executed outside the U.S., it must be notarized at a U.S. Embassy or a U.S. military installation. • The POA must bear the Recorder’s stamp, if previously recorded. • The POA must be a durable Power-of-Attorney in full force and effect on the closing date, must survive subsequent disability, and must be revocable only in writing or alternatively gives a specific expiration date which survives the closing date. • The initial 1003 Loan Application must be signed by the borrower, and not the Attorney-in-Fact except: <ul style="list-style-type: none"> ▪ When the borrower is on military service with the U.S. armed forces servicing outside the U.S. or deployed aboard a U.S. vessel, as long as the POA: <ul style="list-style-type: none"> ○ Expressly states an intention to secure a mortgage loan on the subject property; or ○ Complies with the requirements in the VA Lender’s Handbook for POA. • The title company must insure that the lender or assignee is in first lien position without exception to the POA. • The original POA must be recorded with the security instrument and a certified copy delivered with the Note subject to the following: <ul style="list-style-type: none"> ▪ A duplicate or conformed copy of the Power-of-Attorney is acceptable, together with a certificate of receipt from the recording office, certifying that such copy represents a true and complete copy of the original and that such original has been or is currently submitted to be recorded; or <p>If the original Power-of-Attorney or other such instrument has been delivered for recording in the appropriate public recording office of the jurisdiction where the subject property is located, the original must follow as a final document.</p>
Repair Escrow	Not allowed. All work must be completed prior to loan closing.
Restructured Loans/Short Payoffs	Not allowed.
Tax Returns	Verify payment of taxes owed for the most recent tax return in the file, as applicable.
Temporary Buy Downs	Not Allowed
Texas 50(a)(6)	<ul style="list-style-type: none"> • <i>First liens only</i> • <i>Fixed rate only – ARMs are ineligible</i> • <i>Inter-vivos trusts are not allowed.</i>

	<ul style="list-style-type: none"> • Powers of Attorney are not allowed. <p>Refer to the guidelines below for additional details</p>
<p>Texas 50(f)(2) Refinance</p>	<p>An existing Texas Section 50(a)(6) loan, either first or second mortgage, may be refinanced as a Texas Non-Home Equity Section 50(a)(4) loan secured by a lien against the homestead. The following requirements must be met:</p> <ul style="list-style-type: none"> • A new full appraisal is obtained. • The transaction cannot exceed 80% LTV/CLTV of the fair market value of the subject property. • The refinance loan is closed at least 12 months after the date the 50(a)(6) Home Equity loan was closed. • Cash back is not allowed (\$0.00) <p>A 12-Day Notice (f)(2) Disclosure must be provided to the borrower detailing his/her rights associated with an equity or non-equity loan.</p> <ul style="list-style-type: none"> • The (f)(2) Disclosure must be delivered or placed in the mail no later than three business days after the owners subject an application specifically for an (f)(2) loan; and • Must be provided to the property owner at least 12 days prior to loan closing. <p>The loan file must contain a separate affidavit signed by the owner acknowledging that the requirements of the Texas Constitution Section 50(f)(2) have been met.</p>
<p>Verification of Employment Only/Verification of Deposit/Verification of Mortgage/Rent</p>	<ul style="list-style-type: none"> • The use of a Verification of Employment (VOE) and/or a Verification of Deposit (VOD) only is not allowed. <ul style="list-style-type: none"> ▪ At a minimum paystubs and bank statements are required. • When the borrower’s current mortgagee or landlord is a private party, the use of a Verification or Mortgage (VOM) or Verification of Rent (VOR) only is not allowed. <ul style="list-style-type: none"> ▪ Copies of the borrower’s most recent, consecutive 12 months cancelled checks will be required.