

SECTION 1	MATRIX:																								
<table border="1"> <thead> <tr> <th data-bbox="134 261 590 293">Transaction</th> <th data-bbox="590 261 894 293">FICO</th> <th data-bbox="894 261 1331 293">Number of Units</th> <th data-bbox="1331 261 1808 293">Maximum LTV/CLTV</th> </tr> </thead> <tbody> <tr> <td colspan="4" data-bbox="134 293 1808 337">Primary Residence – Owner Occupied</td> </tr> <tr> <td colspan="4" data-bbox="134 337 1808 375">Home Possible</td> </tr> <tr> <td data-bbox="134 375 590 412">Purchase & Rate / Term</td> <td data-bbox="590 375 894 412">620</td> <td data-bbox="894 375 1331 412">1 – 4 Units</td> <td data-bbox="1331 375 1808 412">95%</td> </tr> <tr> <td colspan="4" data-bbox="134 412 1808 449">Home Possible Advantage</td> </tr> <tr> <td data-bbox="134 449 590 487">Purchase & Rate / Term</td> <td data-bbox="590 449 894 487">620</td> <td data-bbox="894 449 1331 487">1 Unit</td> <td data-bbox="1331 449 1808 487">97%</td> </tr> </tbody> </table>		Transaction	FICO	Number of Units	Maximum LTV/CLTV	Primary Residence – Owner Occupied				Home Possible				Purchase & Rate / Term	620	1 – 4 Units	95%	Home Possible Advantage				Purchase & Rate / Term	620	1 Unit	97%
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	<ul style="list-style-type: none"> • 620 Minimum FICO score. • Borrowers without credit score – Not Allowed • Manual Underwriting – Not Allowed • Min loan amount \$60,000. • Min loan amount \$75,000 for properties located in NY and TX • Temporary Buydowns – Not Allowed • ARM products – Not Available • Non-Traditional Credit – Not Allowed • Non-occupying co-borrowers – Not Allowed • Second Home – Not Allowed • Investment property – Not Allowed • Cooperative – Not Allowed • Manufactured Home – Not Allowed • Conforming Loan limits only – Super Conforming not allowed. • Texas 50(a)(6) transaction – the loan is not eligible for a refinance under this program if the borrower receives ANY cash back at closing (even as little as \$1) • Secondary financing not allowed: • Down payment assistance and Mortgage Credit Certificates not allowed • 97% LTV/CLTV for Home Possible Advantage 																								

SECTION 3	Products:																								
Program Codes	<table border="1" data-bbox="499 256 1566 488"> <thead> <tr> <th colspan="3" data-bbox="499 256 1566 285">Home Possible</th> </tr> </thead> <tbody> <tr> <td data-bbox="499 285 789 315">30 year fixed</td> <td data-bbox="789 285 1016 315">1022-00</td> <td data-bbox="1016 285 1566 315">Home Possible</td> </tr> <tr> <td data-bbox="499 315 789 344">30 year fixed LPMI</td> <td data-bbox="789 315 1016 344">1028-00</td> <td data-bbox="1016 315 1566 344">Home Possible LPMI</td> </tr> <tr> <td colspan="3" data-bbox="499 344 1566 373"> </td> </tr> <tr> <th colspan="3" data-bbox="499 373 1566 402">Home Possible Advantage</th> </tr> <tr> <td data-bbox="499 402 789 431">30 year fixed</td> <td data-bbox="789 402 1016 431">1023-00</td> <td data-bbox="1016 402 1566 431">Home Possible Advantage</td> </tr> <tr> <td data-bbox="499 431 789 461">30 year fixed LPMI</td> <td data-bbox="789 431 1016 461">1029-00</td> <td data-bbox="1016 431 1566 461">Home Possible Advantage LPMI</td> </tr> <tr> <td colspan="3" data-bbox="499 461 1566 488"> </td> </tr> </tbody> </table>	Home Possible			30 year fixed	1022-00	Home Possible	30 year fixed LPMI	1028-00	Home Possible LPMI				Home Possible Advantage			30 year fixed	1023-00	Home Possible Advantage	30 year fixed LPMI	1029-00	Home Possible Advantage LPMI			
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SECTION 4	Parameters and Underwriting:																								
ATR and QM	<ul style="list-style-type: none"> All loans must meet the Ability to Repay (ATR) and Qualified Mortgage (QM) provisions of the Dodd-Frank Act. 																								
Loan Limits	<table border="1" data-bbox="499 750 1761 941"> <thead> <tr> <th data-bbox="499 750 919 779">Conforming Limits:</th> <th data-bbox="919 750 1356 779">Continental US</th> <th data-bbox="1356 750 1761 779">Alaska / Hawaii</th> </tr> </thead> <tbody> <tr> <td data-bbox="499 779 919 824">1 – Unit</td> <td data-bbox="919 779 1356 824">\$424,100</td> <td data-bbox="1356 779 1761 824">\$636,150</td> </tr> <tr> <td data-bbox="499 824 919 870">2 – Units</td> <td data-bbox="919 824 1356 870">\$543,000</td> <td data-bbox="1356 824 1761 870">\$814,500</td> </tr> <tr> <td data-bbox="499 870 919 915">3 – Units</td> <td data-bbox="919 870 1356 915">\$656,350</td> <td data-bbox="1356 870 1761 915">\$984,525</td> </tr> <tr> <td data-bbox="499 915 919 941">4 – Units</td> <td data-bbox="919 915 1356 941">\$815,650</td> <td data-bbox="1356 915 1761 941">\$1,233,45</td> </tr> </tbody> </table> <p data-bbox="499 959 863 984">Conforming loan limits set by FHFA</p> <ul style="list-style-type: none"> <li data-bbox="531 987 1430 1013">https://www.fhfa.gov/DataTools/Downloads/Pages/Conforming-Loan-Limits.aspx 	Conforming Limits:	Continental US	Alaska / Hawaii	1 – Unit	\$424,100	\$636,150	2 – Units	\$543,000	\$814,500	3 – Units	\$656,350	\$984,525	4 – Units	\$815,650	\$1,233,45									
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REFINANCES	<p data-bbox="499 1068 919 1094">All Refinance Mortgage requirements:</p> <ul style="list-style-type: none"> <li data-bbox="531 1097 1276 1123">• All borrowers must occupy the property as their primary residence <li data-bbox="531 1127 1940 1153">• When an existing Mortgage will be satisfied as a result of a refinance transaction, one of the following requirements must be met: <li data-bbox="531 1156 1940 1182">• At least one borrower is obligated on the new loan who was also a borrower obligated on the existing loan being refinanced. OR <li data-bbox="531 1185 1919 1240">• The borrower has been on title, and residing in the property, for at least 12 months and has either paid the mortgage for the last 12 months or can demonstrate a relationship (relative, domestic partner, etc...) with the current obligor. OR <li data-bbox="531 1243 1864 1299">• The borrower has recently inherited, or was legally awarded, the property (divorce, separation, or dissolution of a domestic partnership). <p data-bbox="499 1302 814 1328">Rate and Term requirements:</p> <p data-bbox="499 1331 1667 1357">A “no cash-out” refinance Mortgage, Rate and Term, is a mortgage for which the proceeds may be used only to:</p> <ul style="list-style-type: none"> <li data-bbox="531 1360 1045 1386">• Pay off the first Mortgage, regardless of its age <li data-bbox="531 1390 1276 1416">• Pay related Closing Costs, Financing Costs, and Prepays / Escrows 																								

Derogatory Credit	<table border="1"> <tr> <th data-bbox="478 219 1066 256"><i>Derogatory Seasoning</i></th> <th data-bbox="1066 219 1919 256"></th> </tr> <tr> <td data-bbox="478 256 1066 532"> Bankruptcy Foreclosure Deed-in-Lieu, Pre-Foreclosure, Charge-off of Mortgage account Short Sale Mortgage Modification Foreclosure and Bankruptcy on the same Mortgage (Mortgages not-reaffirmed) Judgement / Liens Collections and Charge off </td> <td data-bbox="1066 256 1919 532"> <ul style="list-style-type: none"> As per Loan Prospector (LP) - LP Streamline Accept – Only. (If LP is accept with standard documentation the waiting periods apply). </td> </tr> </table>	<i>Derogatory Seasoning</i>		Bankruptcy Foreclosure Deed-in-Lieu, Pre-Foreclosure, Charge-off of Mortgage account Short Sale Mortgage Modification Foreclosure and Bankruptcy on the same Mortgage (Mortgages not-reaffirmed) Judgement / Liens Collections and Charge off	<ul style="list-style-type: none"> As per Loan Prospector (LP) - LP Streamline Accept – Only. (If LP is accept with standard documentation the waiting periods apply).
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Student Loan Payment	<p>Student loan payment requirements: Deferred, forbearance, in repayment.</p> <ul style="list-style-type: none"> 1% of outstanding balance or obtain documentation verifying the proposed monthly payment amount. <p>IBR – Interest Based Repayment plan – not acceptable</p>				
Underwriting	<ul style="list-style-type: none"> Loan Prospector – “LP Accept” only Manual Underwriting – Not Allowed 				
Ratio	<p>Debt to Income Ratio – DTI:</p> <ul style="list-style-type: none"> As per LP – LP Accept 				
Texas 50(a)(6)	<ul style="list-style-type: none"> Not Allowed 				
Income Limits	<p>Borrower Income Limits:</p> <ul style="list-style-type: none"> No income limits in low-income census tracts and High Cost areas. 100% of AMI in all other census tracts <p>To determine appropriate income limits:</p> <ul style="list-style-type: none"> Go to: http://www.freddiemac.com/homepossible/ 				
Property	<p>Eligible Properties are attached & detached SFR, 2-4 units, warrantable condo and PUD units, rural properties and modular homes.</p> <p>Agency Warrantable condo projects allowed. See condo section for more info.</p> <p>Modular Housing is acceptable. Modular housing is prefabricated, panelized or sectional housing that assumes the characteristics of a site built home, meets all local and state building codes, is permanently affixed to the land and is legally classified as real estate.</p>				

<p>Assets / Reserves</p>	<p>Assets:</p> <ul style="list-style-type: none"> Assets used for down payment must be documented to show that they are from borrower's own funds. The loan application should provide an accurate reflection of the funds required from the borrower to close the transaction. The application must clearly state the source of the funds for down payment and closing costs, and cannot state other or any vague description. This applies to all loan applications. <p>Contributions and Reserves:</p> <ul style="list-style-type: none"> Borrower contribution requirements <table border="1" data-bbox="577 467 1942 641"> <thead> <tr> <th colspan="4">Minimum Contribution from Borrower Personal Funds*</th> </tr> <tr> <th>Property Type</th> <th>Home Possible Mortgages with LTV/CLTV <= 80%</th> <th>Home Possible Mortgages with LTV/CLTV > 80% <= 95%</th> <th>Home Possible Advantage Mortgages</th> </tr> </thead> <tbody> <tr> <td>1 – Unit</td> <td>None</td> <td>None</td> <td>None</td> </tr> <tr> <td>2 to 4 Unit</td> <td>None</td> <td>3%</td> <td>N/A</td> </tr> </tbody> </table> <p>*Stated as percentage of value</p> <ul style="list-style-type: none"> Reserves <table border="1" data-bbox="577 755 1942 901"> <thead> <tr> <th colspan="3">Required Reserves</th> </tr> <tr> <th>Property</th> <th>Home Possible Mortgages</th> <th>Home Possible Advantage Mortgages</th> </tr> </thead> <tbody> <tr> <td>1 – Unit</td> <td>None Required</td> <td>None Required</td> </tr> <tr> <td>2 – 4 Units</td> <td>2 Months</td> <td>N/A</td> </tr> </tbody> </table> <p><u>All reserves submitted to LP must be verified, regardless of LP feedback.</u></p>	Minimum Contribution from Borrower Personal Funds*				Property Type	Home Possible Mortgages with LTV/CLTV <= 80%	Home Possible Mortgages with LTV/CLTV > 80% <= 95%	Home Possible Advantage Mortgages	1 – Unit	None	None	None	2 to 4 Unit	None	3%	N/A	Required Reserves			Property	Home Possible Mortgages	Home Possible Advantage Mortgages	1 – Unit	None Required	None Required	2 – 4 Units	2 Months	N/A
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<p>Homeownership Education</p>	<p>Requirements:</p> <ul style="list-style-type: none"> When all the Borrowers are First-Time Homebuyers for a purchase transaction Home Possible Mortgages, at least one qualifying Borrower must participate in a homeownership education program before the Note Date. Homeownership education must not be provided by an interested party to the transaction. Homeownership education programs may use different formats and require different lengths of time to complete. The following are acceptable: <ul style="list-style-type: none"> Programs developed by HUD-approved counseling agencies, Housing Finance Agencies (HFAs) or Community Development Financial Institutions (CDFIs) Homeownership education programs developed by mortgage insurance companies or other providers' programs that meet the standards of the National Industry Standards for Homeownership Education and Counseling. As an alternative to the programs listed above, Freddie Mac's free financial literacy curriculum, CREDITSMART, meets the homeownership education requirements, provided: <ul style="list-style-type: none"> The Borrower completes the on-line Credit Smart – Steps to Homeownership Tutorial, which includes Module 1 (Your Credit and Why It is Important), Module 2 (Managing Your Money), Module 7 (Thinking Like a Lender), Module 11 (Becoming a Homeowner), and Module 12 (Preserving Homeownership: Protecting Your Investment) The financial literacy curriculum is not provided by an interested party to the transaction. 																												

	<p>Documentation</p> <ul style="list-style-type: none"> • Provide a copy of the Homeownership Education Certification, or another document (such as the CreditSmart – Steps to Homeownership certificate of completion) containing comparable information. <p>Landlord education (2 – 4 unit Primary Residences)</p> <ul style="list-style-type: none"> • 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. Landlord education must not be provided by an interested party to the transaction. <ul style="list-style-type: none"> ▪ A copy of a certificate evidencing successful completion of the landlord education program is required. • Refinance Transactions – Landlord education is not required, however, is recommended for Borrowers who have not previously attended a program. 																				
<p>Rental Income</p>	<p><u>Rental Income:</u></p> <ul style="list-style-type: none"> • Rental income from a 1 – unit Primary Residence may be considered as stable monthly income (as defined in Section 5301.1, of Freddie Mac Guidelines), when it meets the standard in section 5306.1 of Freddie Mac guidelines. <ul style="list-style-type: none"> ▪ Connection with Borrower. The person providing the rental income and the Borrower: <ul style="list-style-type: none"> • Have resided together for at least one year • Will continue residing together in the new residence, and • The person providing the rental income provides appropriate documentation to evidence residency with the Borrower (i.e., copy of a driver's license, bill , bank statement, etc., that shows the address of that person to be the same as the Borrower's address) ▪ Rental Payment. Rental income from the person residing in the Mortgage Premises: <ul style="list-style-type: none"> • Has been paid to the Borrower for the past 12 months on a regular basis • Can Be verified by the borrower with evidence showing receipt of regular payments of rental income to the Borrower for the past 12 months (i.e., copies of cancelled checks) • Does not exceed 30% of total income used to qualify for the Mortgage. ▪ The Mortgage file must contain a written statement from the Borrower affirming: <ul style="list-style-type: none"> • The source of the rental income • The fact that the person providing the rental income has resided with the Borrower for the past year and intends to continue residing with the borrower in the new residence for the foreseeable future. • Rental income, from a 2 – 4 Unit Primary Residence, may be considered as stable monthly income, when it meets the standards in section 5306.1 of Freddie Mac's guidelines. <p>Refer to section 5306.1: Rental income, inside Freddie Mac Guidelines for further details.</p>																				
<p>Other Income Types:</p>	<table border="1"> <tr> <td>Alimony or Child Support</td> <td>Allowed</td> <td>Foster-Care Income</td> <td>Allowed</td> </tr> <tr> <td>Automobile Allowances</td> <td>Allowed</td> <td>Foreign Income</td> <td>Allowed</td> </tr> <tr> <td>Boarder Income</td> <td>Allowed</td> <td>Interest/Dividend Income</td> <td>Allowed</td> </tr> <tr> <td>Capital Gains Income</td> <td>Allowed</td> <td>Notes Receivable</td> <td>Allowed</td> </tr> <tr> <td>Expected Income(Future Income)</td> <td>Allowed</td> <td>Royalty Payment Income</td> <td>Allowed</td> </tr> </table>	Alimony or Child Support	Allowed	Foster-Care Income	Allowed	Automobile Allowances	Allowed	Foreign Income	Allowed	Boarder Income	Allowed	Interest/Dividend Income	Allowed	Capital Gains Income	Allowed	Notes Receivable	Allowed	Expected Income(Future Income)	Allowed	Royalty Payment Income	Allowed
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Home Possible & Home Possible Advantage

July 20, 2017



	Housing or Parsonage Allowance	Allowed	Tip Income	Allowed
	Employment Related Assets (Asset Depletion) Some examples: 401(k), IRA, SEP, Keogh.	Allowed	Trust Income	Allowed
FREDDIE MAC GUIDELINES	<p>For further information not covered here please proceed to Freddie Mac Guidelines.</p> <ul style="list-style-type: none"> • Freddie Mac Guidelines <p>Home Possible specific Freddie Mac information page.</p> <ul style="list-style-type: none"> • Home Possible 			