

SECTION 1	MATRIX:																								
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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 																								

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Program Codes	<table border="1"> <thead> <tr> <th colspan="3">Home Possible</th> </tr> </thead> <tbody> <tr> <td>30 year fixed</td> <td>1022-00</td> <td>Home Possible</td> </tr> <tr> <td>30 year fixed LPMI</td> <td>1028-00</td> <td>Home Possible LPMI</td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <th colspan="3">Home Possible Advantage</th> </tr> <tr> <td>30 year fixed</td> <td>1023-00</td> <td>Home Possible Advantage</td> </tr> <tr> <td>30 year fixed LPMI</td> <td>1029-00</td> <td>Home Possible Advantage LPMI</td> </tr> <tr> <td></td> <td></td> <td></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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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. 																																		
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REFINANCES	<p>All Refinance Mortgage requirements:</p> <ul style="list-style-type: none"> All borrowers must occupy the property as their primary residence When an existing Mortgage will be satisfied as a result of a refinance transaction, one of the following requirements must be met: At least one borrower is obligated on the new loan who was also a borrower obligated on the existing loan being refinanced. OR 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 																																		

	<p>12 months or can demonstrate a relationship (relative, domestic partner, etc...) with the current obligor. OR</p> <ul style="list-style-type: none"> The borrower has recently inherited, or was legally awarded, the property (divorce, separation, or dissolution of a domestic partnership). <p>Rate and Term requirements: 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"> Pay off the first Mortgage, regardless of its age Pay related Closing Costs, Financing Costs, and Prepays / Escrows 	
<p>Derogatory Credit</p>	<p>Derogatory Seasoning</p> <ul style="list-style-type: none"> 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).
<p>Student Loan Payment</p>	<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>	
<p>Mortgage Insurance</p>	<ul style="list-style-type: none"> Loans with a DTI greater than 45%, with a credit score <700 are not eligible for Mortgage Insurance, regardless of AUS decision. 	
<p>Underwriting</p>	<ul style="list-style-type: none"> Loan Prospector – "LP Accept" only Manual Underwriting – Not Allowed 	
<p>Ratio</p>	<p>Debt to Income Ratio – DTI:</p> <ul style="list-style-type: none"> As per LP – LP Accept 	
<p>Texas 50(a)(6)</p>	<ul style="list-style-type: none"> Not Allowed 	
<p>Income Limits</p>	<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/ 																												
<p>Property</p>	<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="579 776 1940 948"> <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="579 1062 1940 1203"> <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>All reserves submitted to LP must be verified, regardless of LP feedback.</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 																												

	<p>are acceptable:</p> <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. <ul style="list-style-type: none"> • 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

	<p>section 5306.1 of Freddie Mac's guidelines.</p> <p>Refer to section 5306.1: Rental income, inside Freddie Mac Guidelines for further details.</p>			
Other Income Types:	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
	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 			