

Side-by-Side Comparison: Freddie Mac Refi PossibleSM Mortgage and Freddie Mac Home Possible[®] Mortgage

The following side-by-side comparison provides information about the product features for Freddie Mac Refi PossibleSM and Freddie Mac Home Possible[®] mortgages. This comparison should not be considered exhaustive and is not a substitute for what is provided in the *Freddie Mac Single-Family Seller Servicer Guide* (Guide) and/or a seller’s purchase documents.

The temporary credit underwriting requirements and guidance related to COVID-19 also apply to Refi Possible and Home Possible mortgages as long as they remain in effect.

Our Offering

Refi Possible provides expanded flexibilities to encourage borrowers to refinance into a more sustainable mortgage that promotes long-term homeownership success. With expanded eligibilities, Refi Possible enables even more low- and moderate-income creditworthy borrowers to reduce their monthly mortgage expenses.

For questions about Refi Possible, please contact your Freddie Mac representative or the Customer Support Contact Center (800-FREDDIE).



The grid below reflects the removal of the 620 minimum indicator score requirement as announced in [Guide Bulletin 2022-07](#)

	REFI POSSIBLE MORTGAGE	HOME POSSIBLE MORTGAGE
BORROWER INCOME	- Less than or equal to 100% of area median income (AMI)	- Less than or equal to 80% of AMI
LOAN TERMS	<ul style="list-style-type: none"> - Fixed-rate only - No super conforming, temporary subsidy buydowns or Texas Equity Section 50(a)(6) Mortgage - Cash out limited to \$250 - No existing secondary financing may be satisfied with proceeds 	<ul style="list-style-type: none"> - Fixed- and allowable adjustable-rate mortgages - Super conforming, temporary subsidy buydowns and Texas Equity Section 50(a)(6) mortgages are permitted - Cash out limited to the greater of 1% of new mortgage or \$2,000 - Payoff of secondary financing allowable - Finance related closing costs up to \$5,000
EXISTING LOAN ELIGIBILITY / SEASONING	Freddie Mac-Owned Mortgage: <ul style="list-style-type: none"> - Minimum 12-month seasoning requirement 	<ul style="list-style-type: none"> - Minimum 30-day seasoning requirement (Recently announced in Bulletin 2021-16)
MINIMUM INDICATOR SCORE	<ul style="list-style-type: none"> - No minimum requirement for Loan Product Advisor[®] (LPASM) and manually underwritten mortgages <p>NOTE: An indicator score must still be identified and delivered for every Refi Possible borrower.</p>	<ul style="list-style-type: none"> - Determined by LPA for LPA mortgages - 680 for manually underwritten mortgages, 1-unit fixed-rate mortgage refinance
MAXIMUM DEBT - TO-INCOME RATIO	<ul style="list-style-type: none"> - 65% for LPA and manually underwritten mortgages 	<ul style="list-style-type: none"> - Determined by LPA for Loan Product Advisor mortgages - 45% for manually underwritten mortgages - 43% for occupying co-borrower when a non-occupying borrower is on the mortgage

	REFI POSSIBLE MORTGAGE	HOME POSSIBLE MORTGAGE
LTV/TLTV/HTLTV RATIO	<p>Standard LTV/TLTV/HTLTV limits per the Seller/Service Guide Bulletin 2021-17:</p> <ul style="list-style-type: none"> - 97%* maximum: 1-unit properties except for the following - 95% maximum: Manufactured Homes - 95%* maximum: Mortgage with non-occupying borrower <p>NOTE: *A TLTV up to 105% is permitted when secondary financing is an Affordable Second®</p> <p>General eligibility requirements apply for mortgages secured by manufactured homes; see Guide Chapter 5703.3</p>	<ul style="list-style-type: none"> - 97/97*/97 (fixed-rate, 1-unit purchase and no cash-out refinance other than super-conforming mortgages) - 95/95*/95 (fixed-rate, 2-4-unit purchase and no cash-out refinance other than super-conforming mortgages) - 95/95*/95 (LPA fixed-rate mortgages with non-occupying borrower(s)) - 90/90*/90 (manually underwritten fixed rate with non-occupying borrowers) <p>NOTE: *A TLTV up to 105% is permitted when secondary financing is an Affordable Seconds®</p> <p>ARMs are eligible for Home Possible and the LTV/TLTV/HTLTV requirements are found in Guide Section 4501.10</p> <p>General eligibility requirements apply for mortgages secured by manufactured homes; see Guide Chapter 5703.3</p>
SECONDARY FINANCING	<ul style="list-style-type: none"> - No new subordinate financing permitted, except to replace existing subordinate financing as stated above - Existing junior lien must be subordinated to the Refi Possible mortgage - Must meet the requirements for secondary financing in Guide Chapter 4204.1 - May be refinanced simultaneously with the existing First Lien provided that there is no increase in the unpaid principal balance (UPB) or monthly principal and interest payment of the junior lien 	<ul style="list-style-type: none"> - Secondary financing, including Affordable Seconds are allowed - Existing junior lien(s) must be subordinated to the Home Possible mortgage - Must meet the requirements for secondary financing in Guide Chapter 4204.1 - May not be a Home Equity Line of Credit (HELOC)
ELIGIBLE PROPERTY/ OCCUPANCY	<ul style="list-style-type: none"> - 1-unit primary residence - All eligible property types permitted <p>The Seller is not required to evaluate if the condominium or cooperative project meets the project eligibility requirements, provided that:</p> <ul style="list-style-type: none"> - Seller represents and warrants that the project is not located in a condominium hotel, cooperative hotel, houseboat project, timeshare project or project with segmented ownership; and - The project has insurance that meets the applicable insurance requirements of Guide Chapter 4703 	<ul style="list-style-type: none"> - 1 -to 4-unit primary residence - All eligible property types permitted <p>NOTE: No conditional waiver of project or planned-unit development (PUD) review requirements</p>
COLLATERAL AND PROPERTY VALUATION	<ul style="list-style-type: none"> - Standard property valuation – automated collateral evaluation (ACE) or appraisal required - A \$500 credit will be provided to the Seller when an appraisal is obtained. The Seller must pass the credit to the borrower 	<ul style="list-style-type: none"> - Standard property valuation – ACE or appraisal required

	REFI POSSIBLE MORTGAGE	HOME POSSIBLE MORTGAGE
INCOME DOCUMENTATION	<p>Primary Base Non-Fluctuating</p> <ul style="list-style-type: none"> - YTD paystub and 10-day pre-closing verification (PCV) (or written verification of employment (VOE) and PCV) <p>Primary Hourly Fluctuating</p> <ul style="list-style-type: none"> - YTD paystub, most recent W-2 and 10-day PCV (or written VOE and 10-day PCV) <p>Primary other fluctuating (e.g., overtime, bonus etc.)</p> <ul style="list-style-type: none"> - YTD paystub, most recent W-2 and 10-day PCV (or written VOE and 10-day PCV) <p>Military</p> <ul style="list-style-type: none"> - Most recent Leave and Earnings Statement <p>Self-Employed</p> <ul style="list-style-type: none"> - Most recent complete individual and business tax return and third-party verification of the current existence of the business dated no more than 120 days before note date <p>NOTE: For all other income types and characteristics, standard Guide requirements apply</p>	<p>Primary Base Non-Fluctuating</p> <ul style="list-style-type: none"> - YTD paystub, most recent W-2 and 10-day PCV (or written VOE and PCV) <p>Primary Hourly Fluctuating</p> <ul style="list-style-type: none"> - YTD paystub, most recent W-2 and 10-day PCV (or written VOE and PCV) <p>Primary other fluctuating (e.g., overtime, bonus etc.)</p> <ul style="list-style-type: none"> - YTD paystub, two most recent W-2s and 10-day PCV (or written VOE and PCV) <p>Military</p> <ul style="list-style-type: none"> - Most recent Leave and Earnings Statement and W-2 (or written VOE and 10-day PCV) <p>Self-Employed</p> <ul style="list-style-type: none"> - Most recent 2 years complete tax return (or 1-year tax returns for businesses older than 5 years) and third-party verification of current business existence dated no more than 120 days before note date <p>NOTE: For all other income types and characteristics, standard Guide requirements apply</p>
ASSET DOCUMENTATION	<ul style="list-style-type: none"> - 1-month's account statement (only required if funds to close greater than \$500) 	<ul style="list-style-type: none"> - 1- or 2-months account statements depending on document type (only required if funds to close greater than \$500). See Guide Section 5501.3
BORROWER BENEFIT	<ul style="list-style-type: none"> - Reduction in interest rate of at least 50 bps resulting in a reduction in monthly mortgage payment 	<ul style="list-style-type: none"> - Lower cost to refinance because Freddie Mac's credit fees in price are capped at 0 bps for borrowers with credit scores > 680 and at 150 bps for all other borrowers <p>NOTE: Cap does not apply to credit fees in price for use of custom MI, nor does it affect borrower eligibility for \$500 credit from use of GreenCHOICE Mortgages®</p>
MORTGAGE PAYMENT HISTORY	<p>For LPA and manually underwritten mortgages:</p> <ul style="list-style-type: none"> - 0x30 in the most recent six months; and - No more than 1x30 in the most recent 12 months; and - 0x60 in the most recent 12 months <p>NOTE: LPA will use credit report to establish payment history through the date the mortgage tradeline was last reported on the credit report</p> <ul style="list-style-type: none"> - Seller is responsible for checking the payment history requirements are met from the last 	<ul style="list-style-type: none"> - LPA will assess if the borrower's credit reputation is acceptable or, - For manually underwritten mortgages – standard Guide requirements apply - COVID-19 restrictions apply, while in effect

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	<p>reported mortgage tradeline date to note date. Use of updated credit report is permitted</p> <ul style="list-style-type: none"> - Seller must verify whether mortgage being refinanced is current as of the note date of the new mortgage - Seller must verify compliance with all other COVID-19 related requirements and guidance of Bulletin 2020-17 as long as they remain in effect <p>NOTE: Borrower must comply with applicable recovery time periods for reestablishing credit reputation following significant derogatory credit events. Seller must document extenuating circumstance is applicable</p>	
MORTGAGE INSURANCE	<ul style="list-style-type: none"> - Standard mortgage insurance (MI) coverage is required - Custom MI is eligible 	<ul style="list-style-type: none"> - Standard MI coverage is required for LTV ≤ 90%; MI coverage of 25% is required for LTV > 90-97% - Custom MI is eligible for LTVs > 90%
NUMBER OF USES	<ul style="list-style-type: none"> - One-time use of product (i.e., cannot refinance a Refi Possible mortgage into another Refi Possible) 	<ul style="list-style-type: none"> - No limitations
PRICING	<ul style="list-style-type: none"> - Standard credit fees in price 	<ul style="list-style-type: none"> - Lower fees because credit fees in price are capped at 0 bps for borrowers with credit scores ≥ 680 and at 150 bps for all other borrowers unless the mortgage uses custom MI or is a GreenCHOICE Mortgage®
NEGOTIATED PROVISIONS	<ul style="list-style-type: none"> - Other negotiated terms may not be combined with this program without prior approval from Freddie Mac 	<ul style="list-style-type: none"> - Allowed; no special permission required