

# HomeOne® Mortgage

ALL FOR  
HOME

First-time homebuyers make up nearly half of all home purchases, yet saving for a down payment is this segment's biggest barrier to homeownership. We're going all in to help you close this gap and qualify more first time homebuyers with the HomeOne 3% down payment solution. The Freddie Mac HomeOne® mortgage offers flexibilities and a low down payment solution to support first-time homebuyers.

## Origination and Underwriting Requirements

### Borrower profile

- At least one borrower must be a first-time homebuyer when the mortgage is a purchase transaction mortgage.
- Per the Freddie Mac Single-Family Seller/Servicer Guide (Guide), a first-time homebuyer is defined as an individual who meets all the following requirements:
  - Is purchasing the mortgaged premises.
  - Had no ownership interest (sole or joint) in a residential property during the three year period preceding the date of the purchase of the mortgaged premises.
  - Will reside in the mortgaged premises as a primary residence.

### Eligible property types

- 1-unit properties.
- Planned unit developments.
- Condominiums.
- No manufactured homes.
- CHOICEHome® mortgages are permitted when originated in accordance with Guide Section 5703.9.

### Occupancy

- Primary residence only.
- All borrowers must occupy the mortgaged premises as a primary residence.

### Eligible mortgages

- Purchase transaction mortgages.
- Purchase and no cash-out refinance transactions
  - LTV and/or HTLTV > 95%: the mortgage being refinanced must be owned or securitized by Freddie Mac.
  - TLTV ratios > 95% and secondary financing is not an Affordable Second; the mortgage being refinanced must be owned or securitized by Freddie Mac.
  - TLTV ratios > 95% and secondary financing is an Affordable Second; the mortgage being refinanced does not have to be owned or securitized by Freddie Mac.
- Construction Conversion and Renovation Mortgages originated per Guide Chapter 4602 are permitted.
- CHOICERenovation® mortgages originated in accordance with Guide Chapter 4607
- GreenCHOICE® Mortgages originated in accordance with Guide Chapter 3401.30
- CHOICEHome® mortgages originated in accordance with Guide Section 5703.9
- Super conforming mortgages are not permitted.



# Origination and Underwriting Requirements (cont.)

## Temporary subsidy buydowns

- Permitted, meeting the requirements of Guide Section 4204.4.

## Maximum Ratios

- 97% LTV
- 105% TLTV (when secondary financing is an Affordable Second)
- 97% HTLTV

## Permitted sources of funds

- All funds used to qualify borrowers, including, but not limited to, funds for down payment, closing costs, and reserves, must come from the eligible sources described in Guide Section 5501.3.
- For mortgages with interested party contributions, the requirements in Guide Section 5501.5 must be met.
- When lender credit is being used for the mortgage transaction, the requirements in Guide Section 5501.6 must be met.

## Credit underwriting (Loan Product Advisor®)

- At least one borrower on the transaction must have a usable credit score.
- HomeOne mortgages must be Loan Product Advisor® mortgages with a risk class of Accept.
- Manually underwritten mortgages are not eligible.

## Mortgage insurance (MI) requirements

- The standard required, or custom MI coverage levels for HomeOne are 35% and 18%, respectively.
- Sellers must obtain Freddie Mac's approval to sell mortgages with annual or monthly premium lender-paid mortgage insurance to Freddie Mac.
- See Guide Section 4701.1 for additional MI requirements and options, including custom MI.
- Please review Guide Exhibit 19 for credit fees applicable to HomeOne, including mortgages with indicator score/loan-to-value and secondary financing.

## Collateral evaluations

- Standard Guide requirements apply.

## Homeownership Education

- For a purchase transaction, if all occupying borrowers are first-time homebuyers, at least one occupying borrower must receive homeownership education.
  - Homeownership education is also required for any transaction when the credit reputation for all borrowers is established using only noncredit payment references.
  - Homeownership education must be completed prior to the note date.
  - Eligible homeownership education must meet the National Industry Standards for Homeownership Education and Counseling or be provided by an eligible source, such as a HUD-approved counseling agency, mortgage insurer, housing finance agency (HFA) or Community Development Financial Institutions (CDFIs).
  - Homeownership education must not be provided by an interested party to the transaction, the originating lender or the mortgage seller.
  - Certificate of completion must be retained in the loan file.



# Delivery Requirements

## Eligible Executions

- Servicing-Retained Cash
- Fixed-Rate Guarantor
- Servicing-Released Cash
- MultiLender Swap

## Delivery Requirements

- There are no new unique data attributes for HomeOne that are introduced throughout the loan manufacturing process from origination to delivery to identify Freddie Mac HomeOne mortgages. Existing data attributes will be used to identify these mortgages and include the following:
  - For no cash-out refinance mortgages, see Guide Section 6302.16(b)(ii) for special delivery requirements as follows:
    - Sellers must enter the valid value of "FRE" for ULDD Data Point Related Loan Investor Type (Sort ID 222). If available, sellers should also provide the associated Freddie Mac loan number of the mortgage being refinanced for ULDD Data Point Related Investor Loan Identifier (Sort ID 221).
  - For applicable secondary financing delivery requirements, see Guide Section 6304.34. In addition, sellers must provide the applicable information, as outlined in Guide Section 6302.14(b) for down payment, closing costs, automated underwriting system, and borrower counseling.
  - For Affordable Seconds, if applicable, sellers must deliver the following Investor Feature Identifier (IFI) in ULDD Data Point IFI:
    - IFI G18 Mortgage with an Affordable Second that does not require a payment before the due date of the 61st payment may enter the note amount in the "Total Gift Fund" field.
- Sellers are not required to enter this value for mortgages with Affordable Seconds in Loan Product Advisor version 5.0.06 or higher.

## Pooling Requirements

- There are no special pooling requirements for HomeOne mortgages. Refer to Guide Chapter 6202 for pooling requirements.
- Mortgages may be pooled with non-HomeOne mortgages.

## Don't Miss These Resources on [SF.FreddieMac.com/HomeOne](https://SF.FreddieMac.com/HomeOne)

HomeOne FAQ | Guide Section 4605 | Freddie Mac Learning Center

The information in this document is not a substitute for information found in the Single-Family Seller/Service Guide and/or terms of your Master Agreement and/or Master Commitments.

Contact your Freddie Mac representative or **800-FREDDIE**

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## Mortgage Products