



Refi Possible[®] Mortgage

The Refi Possible[®] refinance offering provides expanded flexibilities to encourage borrowers who may benefit from lower interest rates and want 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.

Origination and Underwriting Requirements

Eligible Property Occupancy	<ul style="list-style-type: none">• Must be a first lien, conventional mortgage currently owned by Freddie Mac, in whole or in part, or securitized by Freddie Mac• 1-unit residence• All eligible property types permitted
Loan Terms	<ul style="list-style-type: none">• Fixed-rate only• No super conforming, temporary subsidy buydowns or Texas Section 50(a)(6) Mortgage.• Cash out limited to \$250• No existing secondary financing may be satisfied with proceeds
Existing Loan Eligibility/Seasoning	Freddie Mac owned loan: <ul style="list-style-type: none">• Minimum 12-month seasoning
Maximum Debt-To-Income Ratio	<ul style="list-style-type: none">• 65% for Loan Product Advisor[®] (LPA[®]) and manually underwritten mortgages
Collateral and Property Valuation	<ul style="list-style-type: none">• Standard property valuation — automated collateral valuation (ACE) or appraisal required• A \$500 credit, described on Exhibit 19, will be provided when an appraisal is obtained. This credit must be passed to the Borrower.



Asset Documentation	<ul style="list-style-type: none"> • 1-month account statement (only required if funds to close is greater than \$500)
Mortgage Insurance	<ul style="list-style-type: none"> • Standard mortgage insurance coverage required • Custom mortgage insurance is eligible
Number of Uses	<ul style="list-style-type: none"> • 1-time use of product (i.e., can't refinance a Refi Possible mortgage into another Refi Possible)
Pricing	<ul style="list-style-type: none"> • Standard Exhibit 19 credit fees apply.
Negotiated Provisions	<ul style="list-style-type: none"> • Negotiated terms may not be combined with this program without prior approval from Freddie Mac.

Borrower Income Requirements

- Total annual qualifying income must not exceed 100% of the area median income (AMI) for the location of the mortgaged premises.
- To determine if the borrower meets the income requirements, use either or both of the following tools:

[Loan Product Advisor® \(LPA®\)](#)

Determines loan income eligibility of the mortgage.

[Map-based Refi Possible Income & Property Eligibility Tool](#)

Verifies if a borrower can qualify for a Refi Possible mortgage based on the property location and the borrower's qualifying income.

Change in Borrowers

- The borrower(s) obligated on the note for the Refi Possible mortgage must be the same as the borrower(s) obligated on the note for the mortgage being refinanced, except that a borrower obligated on the note for the mortgage being refinanced may be omitted from the note for the Refi Possible mortgage provided that:
 - The mortgage file contains evidence that the remaining borrower has been making the mortgage payments, including the payments for any secondary financing, for the most recent 12-month period from their own funds; or
 - In the case of death, the Seller obtains and retains in the mortgage file documentation of the borrower's death
- In all cases, at least one borrower from the mortgage being refinanced must be retained.

Income Documentation¹

Primary Base Non-Fluctuating	YTD paystub and 10-day pre-closing verification (PCV) (or written verification of employment (VOE) and PCV).
Primary Hourly Fluctuating	YTD paystub, most recent W-2 and 10-day PCV (or written VOE and 10-day PCV).
Primary Other Fluctuating (e.g., overtime, bonus, etc.)	YTD paystub, most recent W-2 and 10-day PCV (or written VOE and 10-day PCV)

¹ For all other income types and characteristics; standard Guide requirements apply.



Military	<ul style="list-style-type: none"> • Most recent leave and earnings statement
Self-Employed	<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.
Alimony, Child Support or Separate Maintenance	<ul style="list-style-type: none"> • Most recent one month documentation to evidence receipt of the alimony, child support and/or separate maintenance payment amount. A copy of the signed court order, legally binding agreement and/or final divorce decree verifying the payor's obligation for the previous one month, including the amount and duration of the obligation.

Maximum LTV/ TLTV /HTLTV Ratios

- Standard loan-to-value (LTV) / total loan-to-value (TLTV) / high total loan-to-value (HTLTV) limits per [Guide Section 4302.5](#)

1-unit other than Manufactured Homes	97%
Manufactured Homes	95%
Mortgage with a non-occupying Borrower	95%

- General eligibility requirements apply for mortgages secured by manufactured homes; see [Guide Section 5703.3](#)

Mortgage Payment History

Mortgages being refinanced as Refi Possible must not have been:

- 30 days delinquent in the most recent six months.
- 30 days delinquent more than once in the most recent 12 months.
- 60 or more days delinquent in the most recent 12 months.

Use of the credit report

The Seller may use the credit report to determine if the payment history requirements have been met through the last reported mortgage tradeline date.

Additional due diligence

- The Seller is responsible for establishing the payment history between the date the mortgage tradeline was last reported and the note date. For example, Sellers may check the date of the tradeline information on the credit report prior to the note date or check their servicing records from the Servicer transactions.
- LPA will use the credit report to establish payment history through the date the mortgage tradeline was last reported on the credit report.
- Seller is responsible for checking that the payment history requirements are met from the last reported mortgage tradeline date to note date. Use of updated credit report is permitted.
- Seller must verify whether mortgage being refinanced is current as of the note date of the new mortgage.
- Borrower must comply with applicable recovery time periods for reestablishing credit reputation following significant derogatory credit events. Seller must document extenuating circumstance is applicable.



Secondary Financing

No new secondary financing is permitted for a Refi Possible mortgage, except when a junior lien is refinanced at the same time with the first lien and there is no increase in the unpaid principal balance or the monthly principal and interest payment of the junior lien.

- Existing junior lien must be subordinated to the Refi Possible mortgage.
- Must meet the requirements for secondary financing in [Guide Section 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.
- No new subordinate financing permitted, except to replace existing subordinate financing as stated above.

Borrower Benefit

The refinance transaction must result in both of the following:

- A first lien payment amount mortgage interest rate reduction of at least 50 basis points (bps).
- A reduction in monthly mortgage payment amount.

Delivery Requirements

Sellers must deliver the following Uniform Loan Delivery Dataset (ULDD) data points:

- Related Loan Investor Type (Sort ID 222): FRE
- Related Investor Loan Identifier (Sort ID 221): <Associated FRE Loan #>, the 9-digit Freddie Mac loan number assigned to the original mortgage
- Investor Feature Identifier (Sort ID 368): J05, indicating Refi Possible Mortgage

Questions? Contact
your Freddie Mac
representative or
Customer Service
(800-FREDDIE).



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