



# HeritageOne® Mortgage Factsheet

Freddie Mac's HeritageOne® mortgage offering is an innovative, conventional financing solution designed to meet the borrowing needs of enrolled members of federally recognized American Indian and Alaska Native (AIAN) tribes living within tribal areas. With this offering, borrowers have access to conventional financing for homes located in various types of Native tribal lands (e.g., tribal trust land, allotted trust land, unrestricted or restricted fee simple land, etc.).

HeritageOne is part of our overall commitment to make home possible and affordable across the country, seeking opportunities to facilitate access to credit for sustainable homeownership as well as making it easier for lenders to navigate the complexities of lending in Native American tribal areas. HeritageOne can also be combined with other Freddie Mac offerings to create solutions that meet your borrower's needs.

## Key Lender Benefits

- Expand your reach and grow your business by offering conventional, fixed-rate mortgage financing for members of federally recognized Native American tribes living in tribal areas.
- Access standardized mortgage guidelines and guidance from Freddie Mac to navigate the challenges of lending in tribal areas.
- Offer financing for multiple residential property types, including condominiums and manufactured homes.
- Meet market demand for more financing solutions for this historically underserved market and contribute to making housing more affordable and accessible.
- Have the potential to work with more than 200 eligible tribes.
- Provide standard servicing, with some exceptions.
- Receive appraisal flexibilities and appraisal training.

## Key Borrower Benefits

### Help homebuyers:

- Attain homeownership with a conventional mortgage solution.
- Gain more home financing options since there are no income limits to be eligible for HeritageOne.
- Use funds from a variety of sources for the down payment, reserves and closing costs.
- Receive a credit to offset any appraisal costs.
- Make a down payment as low as 3% of the home's sale price.
- Access homeownership education programs.

## To use HeritageOne:

- At least one borrower must be an enrolled member of a federally recognized Native American tribe who will occupy the property as the primary residence.
- Regarding tribal eligibility, a federally recognized Native American tribe that either is listed in HUD's most recent Section 184 Participating Tribes List or has entered into a memorandum of understanding (MOU) with Freddie Mac is considered eligible.
  - Note: Freddie Mac does not require a MOU if the tribe is included in HUD's most recent Section 184 Participating Tribes List.
  - Note: The mortgaged premises must be located in the tribal area of an eligible Native American tribe.
- For purchase transaction mortgages where all occupying borrowers are first-time homebuyers, at least one occupying borrower must complete a homeownership education program before the mortgage's note date.

<b>Property Type/Eligible Properties</b>	<ul style="list-style-type: none"><li>• 1- to 4-unit primary residence, which may include the following:</li><li>• Condominium unit or a unit in a planned unit development (PUD)</li><li>• Manufactured home, including a manufactured home that is a CHOICEHome®</li><li>• Property with an accessory dwelling unit (ADU)</li><li>• No second homes, investment properties, or cooperative units</li></ul>
<b>Eligible Mortgage Products</b>	<ul style="list-style-type: none"><li>• First-lien, conventional, fixed-rate mortgage that is fully amortizing, with a term not greater than 30 years</li></ul>
<b>Transaction Type</b>	<ul style="list-style-type: none"><li>• Purchase</li><li>• No cash-out refinance</li></ul>
<b>Maximum LTV Ratios</b>	<ul style="list-style-type: none"><li>• Up to a 97% LTV ratio for mortgages secured by 1-unit properties and CHOICEHome-certified manufactured homes</li><li>• Up to a 95% LTV ratio for mortgages secured by 2- to 4-unit properties and manufactured homes</li></ul>
<b>Appraisal and Energy Reports</b>	<ul style="list-style-type: none"><li>• For market areas without a sufficient number of comparable sales to develop a fully supported and sufficiently documented opinion of market value using the sales comparison approach, an appraisal that relies solely on the cost approach for the opinion of market value is acceptable, under certain conditions.</li><li>• Freddie Mac will issue an appraisal cost offset credit if an appraisal is obtained, which must be passed to the borrower.</li></ul>
<b>Income Limits</b>	<ul style="list-style-type: none"><li>• Borrowers are not subject to maximum income limits.</li></ul>



### More Information

- Review *Single-Family Seller/Servicer Guide* Chapter 4504 for comprehensive information on HeritageOne requirements: <https://guide.freddie.com/app/guide/section/4504.1>
- Visit [SF.FreddieMac.com/HeritageOne](https://SF.FreddieMac.com/HeritageOne) for resources, training and more.