

# Freddie Mac Refi Possible<sup>®</sup>

Product Highlights Grid | May 2024

## Side-by-Side Comparison: Freddie Mac Refi Possible<sup>®</sup> Mortgage and Freddie Mac Home Possible<sup>®</sup> Mortgage

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

### 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.

	Refi Possible Mortgage	Home Possible Mortgage
<b>Borrower Income</b>	<ul style="list-style-type: none"> <li>Less than or equal to 100% of area median income (AMI).</li> </ul>	<ul style="list-style-type: none"> <li>Less than or equal to 80% of AMI.</li> </ul>
<b>Loan Terms</b>	<ul style="list-style-type: none"> <li>Fixed-rate mortgages only.</li> <li>No super conforming, temporary subsidy buydowns or Texas Equity Section 50(a)(6) Mortgage.</li> <li>Cash out limited to \$250.</li> <li>No existing secondary financing may be satisfied with proceeds.</li> </ul>	<ul style="list-style-type: none"> <li>Fixed- and allowable adjustable-rate mortgages.</li> <li>Super conforming, temporary subsidy buydowns and Texas Equity Section 50(a)(6) mortgages are permitted.</li> <li>Cash out limited to the greater of 1% of new mortgage or \$2,000.</li> <li>Payoff of secondary financing is permitted.</li> </ul>
<b>Existing Loan Eligibility/ Seasoning</b>	<ul style="list-style-type: none"> <li>Freddie Mac-Owned Mortgage.</li> <li>Minimum 12-month seasoning requirement.</li> </ul>	<ul style="list-style-type: none"> <li>Minimum 30-day seasoning requirement.</li> </ul>



	Refi Possible Mortgage	Home Possible Mortgage
<b>Minimum Indicator Score</b>	<ul style="list-style-type: none"> <li>No minimum indicator score required for Loan Product Advisor® (LPA<sup>SM</sup>) and manually underwritten mortgages.</li> </ul> <p><b>NOTE:</b> An indicator score must still be identified and delivered for every Refi Possible borrower.</p>	<ul style="list-style-type: none"> <li>Determined by LPA for LPA mortgages.</li> <li>For manually underwritten mortgages, see Guide Section 4501.8(b).</li> </ul>
<b>Maximum Debt -To- Income Ratio</b>	<ul style="list-style-type: none"> <li>65% for LPA and manually underwritten mortgages.</li> </ul>	<ul style="list-style-type: none"> <li>Determined by LPA for LPA mortgages.</li> <li>45% for manually underwritten mortgages.</li> <li>43% for the occupying co-borrower when a non-occupying borrower is on the mortgage.</li> </ul>
<b>LTV/TLTV/HTLTV Ratio</b>	<p><b>Standard LTV/TLTV/HTLTV limits per Guide Bulletin 2021-17:</b></p> <ul style="list-style-type: none"> <li>97%* maximum: 1-unit properties except for the following: <ul style="list-style-type: none"> <li>95% maximum: Manufactured homes.</li> <li>95%* maximum: Mortgage with non-occupying borrower.</li> </ul> </li> </ul> <p><b>NOTE:</b> *A TLTV ratio 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 <a href="#">Guide Chapter 5703.3</a>.</p>	<ul style="list-style-type: none"> <li>97/97*/97 (fixed-rate, 1-unit purchase and “no cash-out” refinance other than super-conforming mortgages).</li> <li>95/95*/95 (fixed-rate, 2-4-unit purchase and “no cash-out” refinance other than super-conforming mortgages).</li> <li>95/95*/95 (LPA fixed-rate mortgages with non-occupying borrower(s)).</li> <li>90/90*/90 (manually underwritten fixed-rate mortgages with non-occupying borrower(s)).</li> </ul> <p><b>NOTE:</b> *A TLTV ratio up to 105% is permitted when secondary financing is an Affordable Second.</p> <p>ARMs are eligible for Home Possible and the LTV/TLTV/HTLTV ratios requirements are found in <a href="#">Guide Section 4501.10</a>.</p> <p>General eligibility requirements apply for mortgages secured by manufactured homes; see <a href="#">Guide Chapter 5703.3</a>.</p>
<b>Secondary Financing</b>	<ul style="list-style-type: none"> <li>No new subordinate financing permitted, except to replace existing subordinate financing as stated above.</li> <li>Existing junior lien must be subordinated to the Refi Possible mortgage.</li> <li>Must meet the requirements for secondary financing in <a href="#">Guide Chapter 4204</a>.</li> <li>May be refinanced simultaneously with the existing First Lien provided there is no increase in the unpaid principal balance (UPB) or monthly principal and interest payment of the junior lien.</li> </ul>	<ul style="list-style-type: none"> <li>Secondary financing, including Affordable Seconds, are allowed.</li> <li>Existing junior lien(s) must be subordinated to the Home Possible mortgage.</li> <li>Must meet the requirements for secondary financing in <a href="#">Guide Chapter 4204</a>.</li> <li>May not be a Home Equity Line of Credit (HELOC) if the secondary financing is an Affordable Second.</li> </ul>



	Refi Possible Mortgage	Home Possible Mortgage
<b>Eligible Property/ Occupancy</b>	<ul style="list-style-type: none"> <li>• 1-unit primary residence.</li> <li>• All eligible property types are permitted.</li> </ul> <p><b>The Seller is not required to evaluate if the condominium or cooperative project meets the project eligibility requirements, provided that:</b></p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• The project has insurance that meets the applicable insurance requirements of <a href="#">Guide Chapter 4703</a>.</li> </ul>	<ul style="list-style-type: none"> <li>• 1 -to 4-unit primary residence.</li> <li>• All eligible property types are permitted.</li> </ul> <p><b>NOTE:</b> <i>No conditional waiver of project or planned-unit development (PUD) review requirements.</i></p>
<b>Collateral And Property Valuation</b>	<ul style="list-style-type: none"> <li>• Standard property valuation – automated collateral evaluation (ACE), ACE+ PDR or appraisal required.</li> <li>• Refi Possible mortgages secured by manufactured homes are not eligible for ACE or ACE+ PDR and must meet requirements of Guide Chapter 5703.</li> <li>• A \$500 credit will be provided to the Seller when an appraisal is obtained. The Seller must pass the credit to the borrower.</li> </ul>	<ul style="list-style-type: none"> <li>• Standard property valuation – ACE, ACE+ PDR or appraisal required.</li> <li>• Home Possible mortgages secured by manufactured homes are not eligible for ACE or ACE+ PDR and must meet requirements of Guide Chapter 5703.</li> </ul>
<b>Income Documentation</b>	<p><b>Primary Base Non-Fluctuating</b></p> <ul style="list-style-type: none"> <li>• YTD paystub and 10-day pre-closing verification (PCV) (or written verification of employment (VOE) and PCV).</li> </ul> <p><b>Primary Hourly Fluctuating</b></p> <ul style="list-style-type: none"> <li>• YTD paystub, most recent W-2 and 10 day PCV (or written VOE and 10-day PCV).</li> </ul> <p><b>Primary other fluctuating (e.g., overtime, bonus etc.)</b></p> <ul style="list-style-type: none"> <li>• YTD paystub, most recent W-2 and 10-day PCV (or written VOE and 10-day PCV).</li> </ul> <p><b>Military</b></p> <ul style="list-style-type: none"> <li>• Most recent Leave and Earnings Statement.</li> </ul> <p><b>Self-Employed</b></p> <ul style="list-style-type: none"> <li>• Most recent complete individual and business tax returns and third-party verification of the current existence of the business dated no more than 120 days before note date.</li> </ul> <p><b>NOTE:</b> <i>For all other income types and characteristics, standard Guide requirements apply.</i></p>	<p><b>Primary Base Non-Fluctuating</b></p> <ul style="list-style-type: none"> <li>• YTD paystub, most recent W-2 and 10-day PCV (or written VOE and PCV).</li> </ul> <p><b>Primary Hourly Fluctuating</b></p> <ul style="list-style-type: none"> <li>• YTD paystub, most recent W-2 and 10-day PCV (or written VOE and PCV).</li> </ul> <p><b>Primary other fluctuating (e.g., overtime, bonus etc.)</b></p> <ul style="list-style-type: none"> <li>• YTD paystub, two most recent W-2s and 10-day PCV (or written VOE and PCV).</li> </ul> <p><b>Military</b></p> <ul style="list-style-type: none"> <li>• Most recent Leave and Earnings Statement and W-2 (or written VOE and 10-day PCV).</li> </ul> <p><b>Self-Employed</b></p> <ul style="list-style-type: none"> <li>• Most recent 2 years complete individual and business tax returns (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.</li> </ul> <p><b>NOTE:</b> <i>For all other income types and characteristics, standard Guide requirements apply.</i></p>



	Refi Possible Mortgage	Home Possible Mortgage
<b>Asset Documentation</b>	<ul style="list-style-type: none"> <li>1-month's account statement (only required if funds to close are greater than \$500).</li> </ul>	<ul style="list-style-type: none"> <li>1- or 2-months' account statements depending on the document type (only required if funds to close are greater than \$500). See <a href="#">Guide Section 5501.3</a>.</li> </ul>
<b>Borrower Benefit</b>	<ul style="list-style-type: none"> <li>Reduction in interest rate of at least 50 bps resulting in a reduction in the monthly mortgage payment.</li> </ul>	<ul style="list-style-type: none"> <li>Lower cost to refinance because credit fees in price are capped at 0 bps.</li> <li>A \$2,500 credit for all Home Possible mortgages with very low-income purchase (VLIP) borrowers, which must be used towards a borrower's down payment and/or closing costs, while in effect.</li> </ul> <p><b>NOTE:</b> The credit fee cap does not apply to credit fees in price for use of custom MI, nor does it affect borrower eligibility for the \$2,500 Home Possible VLIP mortgages credit or the \$500 credit when used in conjunction with the Freddie Mac GreenCHOICE Mortgages® offering.</p>
<b>Mortgage Payment History</b>	<p><b>For LPA and manually underwritten mortgages:</b></p> <ul style="list-style-type: none"> <li>0x30 in the most recent six months.</li> <li>No more than 1x30 in the most recent 12 months.</li> <li>0x60 in the most recent 12 months.</li> </ul> <p><b>NOTE:</b> 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"> <li>Seller is responsible for checking the payment history requirements are met from the last reported mortgage tradeline date to note date. Use of updated credit report is permitted.</li> <li>Seller must verify whether mortgage being refinanced is current as of the note date of the new mortgage.</li> <li>Seller must verify compliance with all other COVID-19 related requirements and guidance of Bulletin 2020-17 as long as they remain in effect.</li> </ul> <p><b>NOTE:</b> 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>	<ul style="list-style-type: none"> <li>For LPA mortgages, LPA will assess if the borrower's credit reputation is acceptable.</li> <li>For manually underwritten mortgages, standard Guide requirements apply.</li> </ul>



	Refi Possible Mortgage	Home Possible Mortgage
<b>Mortgage Insurance</b>	<ul style="list-style-type: none"><li>• Standard mortgage insurance (MI) coverage is required.</li><li>• Custom MI is eligible.</li></ul>	<ul style="list-style-type: none"><li>• Standard MI coverage is required for LTV &lt; 90%; MI coverage of 25% is required for LTV &gt; 90-97%.</li><li>• Custom MI is eligible.</li></ul>
<b>Number Of Uses</b>	<ul style="list-style-type: none"><li>• One-time use of product (i.e., cannot refinance a Refi Possible mortgage into another Refi Possible).</li></ul>	<ul style="list-style-type: none"><li>• No limitations.</li></ul>
<b>Pricing</b>	<ul style="list-style-type: none"><li>• Standard credit fees in price.</li></ul>	<ul style="list-style-type: none"><li>• Credit fees in price are capped at 0 bps.</li></ul>
<b>Negotiated Provisions</b>	<ul style="list-style-type: none"><li>• Other negotiated terms may not be combined with this program without prior approval from Freddie Mac.</li></ul>	<ul style="list-style-type: none"><li>• Allowed; no special permission required.</li></ul>

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

