



Home Possible Snapshot	As of 12.01.2022
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Home Possible Eligibility Matrix							
Primary Residence Only							
Transactions	Units	Term	Min FICO	Max LTV/CLTV/HCLTV ^{1,2,3}	Max DTI	Reserves	Underwrite Method
Purchase	1	15 or 30 year fixed	620	97%	Per LP	Per LP	LP Accept/Accept Required.
Rate/Term							

¹ CLTV up to 105% with eligible Affordable Second
²Max LTV is 95% when Non-Occupant Co-Borrower is present.
³Max HCLTV is 105% for mortgages with Affordable Seconds

Home Possible Program Summary & Overlays			
Topic	Description		
	Term	Conforming Products	High Balance Products
Products & Terms	360	HomePossible Conf Fixed 30 (C30HP)	HomePossible High Balance Fixed 30
	180	HomePossible Conf Fixed 15 (C15HP)	
ARMs	Currently not offered.		
Underwriting Method	<ul style="list-style-type: none"> All loans must be run through LPA and receive an 'accept/eligible' recommendation as a Home Possible Mortgage. If a loan has not been underwritten as Home Possible, LPA will notify user when a loan casefile appears to be eligible based on the census tract and borrower income – Must resubmit as Home Possible to correct findings. Underwriter will need to complete Community Lending Product fields to confirm eligibility and sale to FHLMC as Home Possible. Manual Underwriting is not permitted GHMC reserves the right to make the final underwriting decision regardless of LPA finding. High balance loans must be underwritten to the stricter of either Home Possible or High Balance guidelines. 		
Income Limits	<ul style="list-style-type: none"> Income from all borrowers that is used for qualification must not exceed 80% of the Area Median Income (AMI) for the property location. Lookup Tool 		
Eligible Properties	<ul style="list-style-type: none"> Single Family. Condos. Leaseholds. 		<ul style="list-style-type: none"> PUDs. Townhouse/Rowhouse. Rural Properties (loans must be residential in nature).
Ineligible Properties & Transactions	<ul style="list-style-type: none"> Texas 50(a)(6) loans 		
Borrower Eligibility	<ul style="list-style-type: none"> Primary borrower must occupy as primary residence. If co-borrower is non-occupant, LTV is capped at 95%. 		
Non-occupant Borrower	<ul style="list-style-type: none"> The LTV, CLTV, and HCLTV ratios must not exceed: 		



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	<ul style="list-style-type: none"> ○ 95% for Loan Product Advisor Accept Mortgages, except that for fixed-rate mortgages with Affordable Seconds, the HCLTV ratio must not exceed 105% • Funds used to qualify for the mortgage may come from the occupying and/or the non-occupying borrower.
Subordinate Financing	<ul style="list-style-type: none"> • Secondary financing permitted up to maximum HCLTV ratio. • When the HCLTV exceeds 97% on conforming loan amounts or 95% on high balance loan amounts, the secondary financing subordinated to a Home Possible Mortgage must be an Affordable Second meeting Freddie Mac's special requirement. • The Affordable Second financing may not be a HELOC.
Sources of Funds for Down Payment and Closing Costs	<ul style="list-style-type: none"> • Cash on hand allowed for one-unit properties only (may not be used for reserves). Must be able to verify and document the following: <ul style="list-style-type: none"> ○ Monthly budget completed on FHLMC exhibit 23 form. ○ Copies of 6 months cash receipts or direct verification from 3 references such as rent, utilities, etc, to verify recurring obligations are customarily paid in cash. ○ A traditional credit report is required and may not show more than 3 tradelines. ○ Copies of 3 months statements for any open revolving account that reveal cash advances are not the source of borrower funds. ○ Updated credit report obtained approx. one week before closing that does not show any new accounts or substantial increase to an existing account that approximates or exceeds the amount of cash on hand provided by the borrower. ○ Evidence borrower does not use checking and/or savings accounts. ○ Evidence all funds used to qualify the borrower for the mortgage are deposited in a financial institution no less than 30 days prior to closing. • Gifts <ul style="list-style-type: none"> ○ Gift funds or gift of equity from a related person ○ Gift funds received as wedding gift ○ Gift or grant from an agency • Interested Party Contributions (IPC) <ul style="list-style-type: none"> ○ Maximum contribution limited by LTV/CLTV of transaction • No minimum borrower contribution • All other assets as allowed by Freddie Mac
Ineligible Source of Funds	<p>These funds may not be used to satisfy the borrower's minimum contribution, down payment, additional required equity, or reserves</p> <ul style="list-style-type: none"> • Sweat Equity • Gifts or grants from the seller as the originating lender, including differential pricing in rate, discount points, or fees for individual loans or across the Home Possible offering or funded by an interested party not related to the borrower.
Appraisals	<ul style="list-style-type: none"> • As required by LPA and the Freddie Mac Seller/Service Guide • Additional appraisal requirements apply for certain property types including condos & leaseholds.
Rental Income	<p>Rental Income from the Subject 1-Unit Property is allowed when the borrower receives rental payments from one or more individuals who reside with the borrower (who may or may not be related to the borrower) on a one-unit property.</p> <ul style="list-style-type: none"> • The amount of rental income is allowed up to 30% of the total gross income that is used to qualify the borrower for the mortgage as long as the renter; <ul style="list-style-type: none"> ○ Is not obligated on the mortgage loan and does not have an ownership interest in the property, ○ Is not the borrower's spouse or domestic partner, ○ Has lived with the borrower for the last 12 months & can provide proof of rental payment



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	<ul style="list-style-type: none"> ○ Can provide appropriate documentation to demonstrate a history of shared residence (such as a copy of a driver's license, bill, or bank statement) that shows the boarder's address as being the same. ○ Borrower must provide a statement affirming the source of rental income and the fact that the renter has resided with the borrower for the past year and intends to continue residing at the new residence for the foreseeable future. <p>**Payment of rent by the boarder directly to a third party is not acceptable</p>
Mortgage Insurance	<ul style="list-style-type: none"> • 25% MI coverage for LTVs 90.01% - 97%. • Standard MI coverage for LTVs 90% or less.
Homeownership Education	<p>Homebuyer counseling required only if all borrowers on loan are 1st time homebuyers.</p> <ul style="list-style-type: none"> • A Homeownership Education Certificate from an acceptable education counselor is required. Acceptable counselors include: <ul style="list-style-type: none"> ○ HUD approved counseling agencies ○ Housing Finance Agencies ○ MI company programs provided they meet the standards of the National Industry Standards for Homeownership Education and Counseling • Homebuyer education is not required on refinance transactions. • Must be completed by the note date
Student Loans	<p>Student loans in repayment, deferment, or forbearance:</p> <ul style="list-style-type: none"> • If the monthly payment amount is greater than zero, use the monthly payment amount reported on the credit report or other file documentation, or • If the monthly payment amount reported on the credit report is zero, use 0.5% of the outstanding loan balance, as reported on the credit report. <p>Student loan forgiveness, cancelation, discharge, and employment-contingent repayment programs</p> <ul style="list-style-type: none"> • The student loan payment may be excluded from the monthly debt payment to income ratio provided the file contains documentation that indicates the following: <ul style="list-style-type: none"> ○ The student loan has 10 or less monthly payments remaining until the full balance of the student loan is forgiven, canceled, discharged or in the case of an employment-contingent repayment program, paid, or ○ The monthly payment on a student loan is deferred or is in forbearance and the full balance of the student loan will be forgiven, canceled, discharged or in the case of an employment-contingent repayment program, paid, at the end of the deferment or forbearance period <p>AND</p> ○ The borrower is eligible or approved, as applicable, for the student loan forgiveness, cancelation, discharge or employment-contingent repayment program and the Seller is not aware of any circumstances that will make the borrower ineligible in the future. Evidence of eligibility or approval must come from the student loan program or the employer, as applicable.
Ownership of Other Property	Occupant borrower(s) may own one other financed residential property (in addition to the subject property) as of the note date.
High Cost & High-Priced Loans	'High Cost' loans not permitted. Loans defined as 'Higher-priced Mortgage Loan' or 'Higher-priced Covered Transaction' under Regulation Z may be eligible on case-by-case basis and additional restrictions apply. The following certain state-defined 'higher-priced loans' are ineligible: AR, GA, IL, IN, KY, ME, MA, NJ, NM, NY, RI, TN.
Temporary Buydowns – General Requirements	<ul style="list-style-type: none"> • Interested Party Funded Buydowns (Seller, Builder, etc) are subject to applicable Agency Interested Party Contribution Limits. • Borrower funded buydowns are not permitted • Lender funded buydowns are not permitted



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	<ul style="list-style-type: none"> • Texas 50(a)(6) loans are not permitted. • Purchase transactions only. Refinances are not permitted. <p>Eligible buydown types:</p> <ul style="list-style-type: none"> • 3-2-1 Buydown <ul style="list-style-type: none"> ○ Payment calculated at 3% below the Note Rate for the first year. ○ Payment calculated at 2% below the Note Rate for the second year. ○ Payment calculated at 1% below the Note Rate for the third year. ○ Payment calculated at Note Rate for years three through maturity. • 2-1 Buydown <ul style="list-style-type: none"> ○ Payment calculated at 2% below the Note Rate for the first year. ○ Payment calculated at 1% below the Note Rate for the second year. ○ Payment calculated at Note Rate for years three through maturity. <p>Eligible Products:</p> <ul style="list-style-type: none"> • 30-year Fixed Rate <p>Borrower Qualification:</p> <ul style="list-style-type: none"> • Borrower must qualify based on the Note rate without consideration of the bought-down rate. • If reserves are required, the reserves must be calculated using the Note Rate. <p>Occupancy and Property Type:</p> <ul style="list-style-type: none"> • Principal residence 1 unit only.
<p>Temporary Buydowns – Buydown Agreement</p>	<ul style="list-style-type: none"> • Written Agreement: <ul style="list-style-type: none"> ○ Buydown plan must be a written agreement between the party providing the buydown funds and the borrower. • Provided at time of Closing: <ul style="list-style-type: none"> ○ A copy of the executed buydown agreement must be included in the loan file at closing • Calculation: the buydown agreement must clearly show <ul style="list-style-type: none"> ○ The Seller’s calculations of the total cost of the temporary subsidy buydown ○ Any interested party contribution, and ○ The annual percentage increase in the borrower’s monthly principal and interest payment. • Relief from obligation: <ul style="list-style-type: none"> ○ The buydown agreement must provide that the borrower will not be relieved of the obligation to make the full monthly mortgage payments required by the terms of the mortgage note if, for any reason, the buydown funds are not available or the buydown funds are not paid. • Terms disclosed to mortgage insurer and appraiser: <ul style="list-style-type: none"> ○ All terms of the buydown agreement must be disclosed to the mortgage insurer and the property appraiser • Return of funds <ul style="list-style-type: none"> ○ Buydown agreements that allow for the return of the buydown funds to the seller are not eligible
<p>For additional Freddie Mac Home Possible Guidelines: Selling Guide GHMC Overlays to guidelines are indicated with blue font</p>	



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Updates

All new updates will be in **RED** font.

Section	Date	Update
Products & Terms	12.01.2022	<p>Overlay Removed:</p> <ul style="list-style-type: none"> Temporary Buy downs are not permitted
Temporary Buydowns – General Requirements	12.01.2022	<p>Section Added:</p> <ul style="list-style-type: none"> Interested Party Funded Buydowns (Seller, Builder, etc) are subject to applicable Agency Interested Party Contribution Limits. Borrower funded buydowns are not permitted Lender funded buydowns are not permitted Texas 50(a)(6) loans are not permitted. Purchase transactions only. Refinances are not permitted. <p>Eligible buydown types:</p> <ul style="list-style-type: none"> 3-2-1 Buydown <ul style="list-style-type: none"> Payment calculated at 3% below the Note Rate for the first year. Payment calculated at 2% below the Note Rate for the second year. Payment calculated at 1% below the Note Rate for the third year. Payment calculated at Note Rate for years three through maturity. 2-1 Buydown <ul style="list-style-type: none"> Payment calculated at 2% below the Note Rate for the first year. Payment calculated at 1% below the Note Rate for the second year. Payment calculated at Note Rate for years three through maturity. <p>Eligible Products:</p> <ul style="list-style-type: none"> 30-year Fixed Rate <p>Borrower Qualification:</p> <ul style="list-style-type: none"> Borrower must qualify based on the Note rate without consideration of the bought-down rate. If reserves are required, the reserves must be calculated using the Note Rate. <p>Occupancy and Property Type:</p> <ul style="list-style-type: none"> Principal residence 1 unit only.
Temporary Buydowns – Buydown Agreement	12.01.2022	<p>Section Added:</p> <ul style="list-style-type: none"> Written Agreement: <ul style="list-style-type: none"> Buydown plan must be a written agreement between the party providing the buydown funds and the borrower. Provided at time of Closing:



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