

HOME POSSIBLE[®] VS HOMEONESM MORTGAGE

A Side-by-Side Comparison of Expanded 97% LTV Options

Your borrowers have broad and unique needs, and LHFS has you covered with our suite of mortgage products. With Home Possible, you'll capitalize on opportunities to meet the home financing needs of low- and moderate-income borrowers looking for low down payments and flexible sources of funds. HomeOneSM offers you a solution to help more first-time homebuyers achieve the milestone of homeownership, regardless of their income levels or geographic location. Both solutions ease challenges around available savings for down payment and closing costs, and reflect our dedication to responsible lending, sustainable homeownership and improving access to credit.

Topic	Home Possible [®]	HomeOne SM Mortgage
Underwriting Path	Loan Product Advisor [®] .	Loan Product Advisor [®] - only with a Risk Class of Accept (at least one borrower must have a usable credit score).
Maximum LTV/TLTV/HTLTV ratios	<ul style="list-style-type: none"> 97% LTV / 105% TLTV/HTLTV non-applicable* <p>*Standard secondary financing allowed, including HELOCs, for a Mortgage with a TLTV/HTLTV ratio of less than or equal to 97% (when the TLTV ratio is greater than 97%, the secondary financing must be an Affordable Second).</p>	<ul style="list-style-type: none"> 97% LTV / 105% TLTV / 97% HTLTV. TLTV >97-105% only with an Affordable Second as secondary financing.
Loan Purpose	<ul style="list-style-type: none"> Purchase "No cash-out" refinance 	<ul style="list-style-type: none"> Purchase "No cash-out" refinance <ul style="list-style-type: none"> LTV and/or HTLTV >95%: loan being refinanced must be owned by Freddie Mac. TLTV >95% and secondary financing is not an Affordable Second: loan being refinanced must be owned by Freddie Mac. TLTV >95 and secondary financing is an Affordable Second: loan being refinanced does not have to be owned by Freddie Mac.
First Time Homebuyer Status	Not required	Purchases: At least one borrower must be a first-time homebuyer (as defined in the <i>Single-Family Seller/Service Guide</i> (Guide))
Homeownership Education	Required in certain circumstances, including for purchases when all borrowers are first-time homebuyers. The free Freddie Mac financial education curriculum, CreditSmart[®] is an acceptable form of homeownership education in addition to other alternatives specified in the Guide Section 5103.6.	When all borrowers are first-time homebuyers, at least one borrower must participate in homeownership education. This requirement may be fulfilled online with the free CreditSmart[®] program or another acceptable homeownership education program.



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Income Limits	<ul style="list-style-type: none"> Must not exceed 100% of the area median income (AMI) for the location of the mortgaged premises. No limit if mortgaged premises is located in a low-income census tract (census tract where median tract income is at or below 80% of the AMI). <p>AUS ran on or after 7/28/2019:</p> <ul style="list-style-type: none"> Borrower's qualifying income, converted to an annual basis, must not exceed 80% of the AMI for the location of the Mortgaged Premises. This change will apply to all Home Possible Mortgages, including those secured by properties in low-income census tracts. 	No limits
Eligible Mortgages	<ul style="list-style-type: none"> Fixed-rate mortgages that are fully amortizing with a term of up to 30 years. 	<ul style="list-style-type: none"> Fixed-rate mortgages that are fully amortizing with a term of up to 30 years.
Super Conforming	<p>Super conforming mortgages allowed when the mortgage:</p> <ul style="list-style-type: none"> Is submitted through Loan Product Advisor and receives an Accept Risk Class Has an LTV/TLTV/HTLTV ratio less than or equal to 95% (A TLTV ratio of less than or equal to 105% is permitted for Mortgages with an Affordable Second) 	Not permitted
Property Types	1-4 units, including manufactured homes, condominium units, and units in planned unit developments (PUDs).	1-unit only (no manufactured homes), including condominium units and units in planned unit developments (PUDs).
Occupancy	<p>Primary residence</p> <ul style="list-style-type: none"> All borrowers must occupy mortgaged premises as their primary residence. Permitting non-occupant Borrower(s) on Mortgages secured by 1-unit properties when the: <ul style="list-style-type: none"> LTV/TLTV*/ Home Equity Line of Credit (HELOC) TLTV (HTLTV) ratio is less than or equal to 95% for Loan Product Advisor[®] Mortgages <p>*A TLTV ratio of less than or equal to 105% is permitted for Mortgages with Affordable Seconds[®]</p>	<p>Primary residence</p> <ul style="list-style-type: none"> All borrowers must occupy the mortgaged premises as their primary residence.
Reserves	Per Loan Product Advisor	Per Loan Product Advisor
Ownership of Other Residential Property	The borrower may have any ownership interest in other residential properties.	Permitted under standard Guide terms.



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Rental Income from Subject 1-unit Primary Residence	<ul style="list-style-type: none"> Permitted, subject to requirements in Guide Section 4501.9. Permitted when the borrower has a disability and the rental income comes from a live-in aide, and the Guide requirements in Section 5301.6 are met. 	<ul style="list-style-type: none"> Permitted only for a borrower with a disability when rental income is from a live-in aide, subject to requirements in Guide Section 5301.6 (same as for non-Home Possible mortgages with LTV ratios up to 95%).
Sources of Funds	<ul style="list-style-type: none"> Same as permitted for non-Home Possible mortgages plus additional sources (e.g., cash on hand, gift/grant from the Seller as originating lender). Gifts and grants from the Seller must not be funded through the mortgage transaction. See Guide Section 4501.10 (c) for details. No minimum contribution from borrower personal funds required. 	<ul style="list-style-type: none"> Same as permitted for non-Home Possible mortgages with LTV ratios up to 95% (including Affordable Seconds). See Guide Section 5501.3 for details. No minimum contribution from borrower personal funds required.
Mortgage Insurance	<ul style="list-style-type: none"> Mortgage insurance will automatically cancel when the LTV is 78%. 25% mortgage insurance coverage applies for LTV >90%. For LTV <90%, standard mortgage insurance coverage applies per section 4701.1 of the Guide. 	<ul style="list-style-type: none"> Mortgage insurance will automatically cancel when the LTV is 78%. 35% mortgage insurance coverage applies for LTV >95%. For LTV <95%, standard mortgage insurance coverage applies per section 4701.1 of the Guide.
Credit Fee in Price	<ul style="list-style-type: none"> Standard credit fees in price are not assessed for LTV > 80% with Credit Scores > 680 and are subject to the Home Possible Mortgage cap of 1.50% when other than this LTV /credit score criteria. All applicable credit fees in price are subject to the Home Possible Cap with the exception of the Custom mortgage insurance credit fee in price, which will be added to the cap. 	<ul style="list-style-type: none"> Standard credit fees and pricing applies. Refer to Exhibit 19 for applicable credit fees in price, including indicator score/loan-to-value and secondary financing.

Helpful Links:

- [Freddie Mac Seller Guide](#)

For specific scenario requests, please go to the eScenarios tab located in [eXPRESS](#), and post your scenario.

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