



Home Possible® Mortgage

Flexible and Affordable Conventional Mortgages That Meet the Needs of Very Low- to Moderate-Income Homebuyers

> Eligible Buyers

- First-time, move-up and downsizing homebuyers
- Clients with very low to moderate incomes
- Borrowers purchasing homes in underserved communities
- Borrowers without credit scores may be eligible to purchase or refinance one-unit, owner-occupied homes when the mortgage lender reviews the loan using Freddie Mac's Loan Product Advisor®
- Clients staying in their home and desiring a no cash-out refinancing option

> Affordability Features

- Up to 97 percent loan-to-value option
- More flexible sources of funds for down payment and closing costs (e.g., the buyer's own funds, gifts from relatives or friends, grants from government agencies, sweat equity and more)
- No cash reserves needed at closing for clients purchasing one-unit properties
- Mortgage insurance can be cancelled and monthly payments reduced when the homebuyer's equity reaches 20 percent
- No income limit for properties located in low-income census tracts, where the median income is at or below 80 percent AMI (Area Median Income)

Successful completion of the **FREE CreditSmart® Steps to Homeownership** online tutorial satisfies the Home Possible mortgage homeownership education requirement (required for first-time homebuyers).

> Real Estate Professionals Information and Resources

BOOKMARK the Freddie Mac [Real Estate Professionals Resource Center](https://www.FreddieMac.com/RealEstatePros), **FreddieMac.com/RealEstatePros**. Here you'll find:

- Relevant industry news
- Housing data and information – including the latest average mortgage rates
- Tips and tools to boost referrals
- Networking events and training

SUBSCRIBE to the **FREE Housing Professionals Outreach News** email service to stay current on key housing topics, be a knowledge source and enhance your role as a trusted advisor for both your current and future clients.

Mortgage Characteristics

ELIGIBLE PROPERTIES
1- to 4-unit, owner-occupied primary residences
Condominiums
Planned Unit Developments (PUD)
Manufactured homes (with restrictions)
Non-occupant borrower allowed on 1-unit properties
Ownership of additional properties allowed without restriction
ELIGIBLE MORTGAGES
Fixed-rate mortgages
5/5, 5/1, 7/1 and 10/1 adjustable rate mortgages (ARMs) for 3- to-4-unit properties (manufactured homes not eligible for 5/1 or 5/5 ARMs)
Construction conversion and renovation mortgages
Super conforming mortgages (with restrictions)

Home Possible or FHA?

Did you know that Home Possible could be a better option for some of your clients than an FHA loan?

	FHA	HOME POSSIBLE
Mortgage Insurance	Remains for the life of the loan.	Can be cancelled after homebuyer's equity reaches 20 percent, reducing the monthly payment and potentially saving thousands over the life of the loan.
Non-borrower spouse	In community property states, FHA considers the credit of a non-borrower spouse and counts his or her debts in the debt-to-income calculation.	Does not take into account the credit score and debts of a non-borrower spouse.
Appraisal Process	Longer appraisal process; looks at the property value as well as the minimum requirements for safety and security, which may result in an extensive list of requirements, especially if repairs are needed.	Uses conventional appraisal process to determine the home's value.