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2026 Program Highlights

THE FANNIE MAE HOME READY

&

THE FREDDIE MAC HOME POSSIBLE

3% DOWN PAYMENT OPTIONS FOR 'MODERATE INCOME' HOME BUYERS





THE 3% DOWN 'HOME READY' & THE 3% DOWN 'HOME POSSIBLE'



Both Fannie Mae with its' 3% Down Home Ready program and Freddie Mac with its' 3% Down Home Possible program offer low down payment options to 'moderate income' home buyers. The 2 programs are very similar with some differences that we will highlight at the end of this section. A chart showing the income limits for both programs in every Massachusetts county is included on page 4.



**'HOME READY' & 'HOME POSSIBLE'
DO NOT REQUIRE YOU TO BE A
1ST TIME HOME BUYER.
INCOME RESTRICTIONS DO APPLY.**



ELIGIBLE BUYERS

You do not have to be a 1st time home buyer to qualify for the program but if all borrowers are 1st time home buyers then at least one borrower must complete a home ownership education course.

INCOME RESTRICTIONS

The household income cannot exceed 80% of the Area Median Income for the county where the home is located. Only the income of borrowers on the application is counted as income.



80% AREA MEDIAN INCOME (AMI) BY COUNTY

COUNTY	AMI	COUNTY	AMI
Barnstable	\$99,280	Essex	\$121,680
Bristol	\$92,080	Berkshire	\$81,520
Dukes	\$122,640	Franklin	\$99,760
Nantucket	\$130,800	Hampden	\$76,960
Plymouth	\$121,680	Hampshire	\$95,200
Norfolk	\$121,680	Middlesex	\$121,680
Suffolk	\$121,680	Worcester	\$98,160



3%

Down Payment



**'HOME READY' & 'HOME POSSIBLE' DO
NOT REQUIRE THE 3% DOWN PAYMENT
TO COME FROM THE BORROWER.
MONTHLY PMI IS REQUIRED.**



The 3% down payment can come from the borrowers own funds or it can come from a gift given by family members. Family members can also gift funds for closing costs. Grants and Down Payment Assistance program funds can also be used for the 3% down payment as well as closing costs.



Borrowers putting down less than 20%, will be required to pay mortgage insurance ('PMI'). However, both programs provide the PMI at discounted rates.

DISCOUNTED MONTHLY PMI



Unlike the USDA and FHA programs the 'Home Ready' and 'Home Possible' programs do not charge additional up front fees.

**NO ADDITIONAL GOVERNMENT
LOAN FEES**



Eligible Property Types

- 1-4 Unit Owner Occupied
- Condominiums
- Townhouses
- Manufactured Housing

Rental Income

- Rental income from the property is allowed.
- Rental income from an ADU is allowed.
- 30% of Boarder income is allowed on 1 unit properties. (12 month average)



Feature	HomeReady	Home Possible
Minimum Down Payment	3%	3%
Credit Score Minimum	620	660
Mortgage Insurance	Cancellable PMI at 20% equity	Cancellable PMI at 20% equity
Income Limits	Yes, 80% of Area Median Income	Yes, 80% of Area Median Income
Property Types	1-4 unit primary residence	1 unit primary residence with 3% down. 2-4 unit primary residence with 5% down.
Upfront Insurance	None	None
No credit scores.	Ineligible.	Eligible in certain circumstances.



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