



## FHLMC Home One Product Matrix

This product summary is provided as a resource to be used in conjunction with FHLMC Seller Guide, and to identify areas in which HomeXpress Mortgage Corp. has additional requirements or restrictions in addition to standard Freddie Mac guidelines. **This matrix does not replace the full requirements in the FHLMC Seller Guide**

Primary Residence				
Purchase & No Cash Out (Rate/Term) Refinance				
Conforming Loan Limits				
Property Type	LTV <sup>1</sup>	TLTV/HTLTV <sup>2</sup>	Min Credit Score	Max DTI
1 Unit	97%	105%/97%	Per LPA	Per LPA
Topic	Requirement			
<b>4506-C/Tax Transcripts</b>	<ul style="list-style-type: none"> <li>A signed 4506-C for all years in which income was used in the underwriting decision are required.</li> <li>Transcripts will be verified where tax returns are utilized for income qualification, or at the underwriter's discretion</li> </ul>			
<b>Appraisal</b>	<ul style="list-style-type: none"> <li>Full appraisal required unless ACE waiver issued by LPA</li> <li>Automated Collateral Evaluation (ACE) appraisal waivers are permitted per LPA findings               <ul style="list-style-type: none"> <li>Texas Section 50(a)(6) and Section 50(f)(2) transactions are not eligible.</li> </ul> </li> <li>Transferred appraisals permitted in compliance with FHLMC, regulatory requirements, and HomeXpress Policy</li> </ul>			
<b>Borrower Eligibility</b>	The following are ineligible borrowers <ul style="list-style-type: none"> <li>Partnerships</li> <li>Corporations</li> <li>Guardianships</li> <li>Life Estates</li> <li>LLCs</li> <li>Non-Revocable Inter Vivos Trusts</li> <li>Foreign nationals</li> <li>Borrowers with diplomatic immunity</li> <li>Borrowers on deferred action (DACA)</li> </ul> <ul style="list-style-type: none"> <li>Each borrower on the loan transaction must have a valid Social Security number;               <ul style="list-style-type: none"> <li>ITIN (IRS Tax Identification Numbers) are not allowed.</li> </ul> </li> </ul>			
<b>Condominium</b>	Follow project review requirements per LPA/FHLMC requirements			
<b>Credit</b>	<b>Qualifying Credit Score:</b> <ul style="list-style-type: none"> <li>A tri-merge credit report is required.</li> </ul>			

<sup>1</sup> LTV > 80 must comply with MI guidelines in addition to this guide, and FHLMC requirements

LTV > 95% requirements:

- 1 unit only
- All borrowers must occupy the property; non-occupant co-borrowers not allowed.
- Refinances: The mortgage being refinanced must be an existing FHLMC mortgage
- Manufactured Housing not eligible

<sup>2</sup> Subordinate financing:

- The TLTV up to 105% only if the mortgage is part of an Affordable Second transaction.
- TLTV ratios greater than 95% with secondary financing that is not an Affordable Second, the Mortgage being refinanced must be owned in whole or in part or securitized by Freddie Mac, and may not exceed 97%
- TLTV ratios greater than 95% with secondary financing that is an Affordable Second, the Mortgage being refinanced does not have to be owned or securitized by Freddie Mac
- HTLTV maximum: 97%

	<ul style="list-style-type: none"> <li>The qualifying score is the lower of two or the middle of three scores.</li> <li>The lowest qualifying score of all applicants is used to qualify.</li> <li>Super Conforming mortgages require at least two (2) credit scores per borrower.</li> <li>At least one borrower must have a valid Credit Score, and obtain LPA approval</li> <li>Manual underwriting for borrowers without a Credit Score is not allowed.</li> </ul> <p><b>Minimum Credit Score:</b></p> <ul style="list-style-type: none"> <li>620</li> </ul>
<b>Escrow Accounts</b>	<ul style="list-style-type: none"> <li>Escrow accounts are required for the collection of property taxes, hazard insurance and flood insurance where applicable.</li> <li>Flood insurance premiums where applicable must always be impounded/escrowed</li> </ul>
<b>Geographic Restrictions</b>	<ul style="list-style-type: none"> <li><b>Hawaii:</b> <ul style="list-style-type: none"> <li>Properties in Lava Flow Zone 1 are not permitted</li> </ul> </li> <li><b>Texas:</b> Cash out (A6) transactions are not permitted</li> </ul>
<b>Homebuyer Education</b>	<ul style="list-style-type: none"> <li>For purchase transaction Mortgages, when all Borrowers are First-Time Homebuyers, at least one Borrower must participate in a homeownership education program</li> </ul>
<b>Income &amp; Employment</b>	<ul style="list-style-type: none"> <li>Income must be documented per the LPA findings</li> </ul>
<b>Ineligible Transactions</b>	<p>HomeXpress will not accept transactions including, but not limited to, the following:</p> <ul style="list-style-type: none"> <li>Manual Underwriting</li> <li>Buydowns</li> <li>Repair Escrow</li> <li>Adjustable-Rate Mortgages (ARM)</li> <li>Borrower may not act as an interested party to a sales transaction for the subject if the builder and/or property seller is a company owned by the borrower or where the borrower is a principal agent, sales agent, loan originator, mortgage broker or partner for the builder or property seller.</li> <li>Realtor/loan broker acting as the listing agent as well as the mortgage originator/broker.</li> <li>One time close construction</li> <li>Borrower is a principal of the title company and/or settlement agent for the subject transaction.</li> </ul>
<b>Loan Limits</b>	<p>Standard Conforming limits are eligible. Super Conforming loans are not eligible for HomeOne.</p>
<b>Manufactured Housing</b>	<ul style="list-style-type: none"> <li>LPA Accept/Eligible required</li> <li>Owner occupied properties only</li> <li>Conforming loan limits only</li> <li>Must be classified as Real Property</li> <li>The Manufactured Home must have been built on or after June 15, 1976</li> <li>Must be at least 12 feet wide and have a minimum 400 square feet of gross living area</li> <li>Double-wide minimum width</li> <li>Leasehold properties are ineligible</li> <li>Condo or Coop projects comprised of manufactured homes are ineligible</li> <li>The manufactured home may not have been previously installed or occupied at another location</li> <li>All manufactured housing must meet Freddie Mac guidelines, LPA feedback certificate, and any restrictions in these Program Guidelines</li> </ul>
<b>Mortgage Insurance</b>	<ul style="list-style-type: none"> <li>Standard MI coverage 35% is required regardless of LPA findings; custom or reduced MI is not eligible.</li> <li>Lender Paid MI (monthly or single premium), Financed single premium not eligible.</li> </ul>
<b>PACE Obligations</b>	<ul style="list-style-type: none"> <li>Loan transactions secured by properties with PACE obligations or PACE-like assessments are not eligible. The obligation must be satisfied prior to or at closing in accordance with <a href="#">HB 4000.1</a>.</li> </ul>
<b>Property Eligibility</b>	<p><b>Ineligible Properties:</b></p> <ul style="list-style-type: none"> <li>Commercial property</li> <li>Cooperatives</li> <li>Condotels</li> <li>Geothermal homes</li> <li>Geodesic Domes</li> <li>Mobile homes</li> <li>Non-warrantable condos</li> <li>Timeshares</li> </ul>

	<ul style="list-style-type: none"> <li>Working farms, ranches, orchards</li> <li>Community land trusts</li> <li>Properties with C6 quality rating</li> <li>Properties with C5 or C6 condition rating</li> <li>Properties secured with PACE obligations or PACE like assessments</li> <li>Properties on leased Indian Tribal Land</li> </ul>
<b>Repair Escrows</b>	Not permitted
<b>Reserves</b>	Determined by LPA
<b>Special Feature Codes/Investor Feature Identifiers (SFC/IFI)</b>	<b>Special Feature Codes:</b> <ul style="list-style-type: none"> <li>J05 – All Refi Possible loans</li> <li>583 – Affordable Second, if applicable</li> <li>G18 – Affordable Second entered in LPA in the <i>Total Gift Fund</i> field, if applicable</li> </ul>
<b>Subordinate Financing</b>	For HomeOne Mortgages with Affordable Seconds, the maximum TLTV ratio is 105%
<b>Texas Cash Out</b>	<ul style="list-style-type: none"> <li>Texas 50(a)(6) and 50(f)(2) are NOT eligible</li> </ul>
<b>Tax Transcripts</b>	<p>IRS tax transcripts are required in the following circumstances listed below:</p> <ul style="list-style-type: none"> <li>Handwritten paystubs are used as verification of income</li> <li>Borrower(s) is employed by a family member</li> <li>A relationship exists between the parties to the transaction</li> <li>Tax returns are required documentation based on the borrower’s source of income</li> </ul>
<b>Transaction Restrictions</b>	<b>Purchase:</b> <ul style="list-style-type: none"> <li>At least one borrower must be a first time homebuyer</li> <li>When all Borrowers are First-Time Homebuyers, at least one Borrower must participate in a homeownership education program</li> </ul>
<b>Underwriting Method</b>	<b>Automated Underwriting:</b> <ul style="list-style-type: none"> <li>Loans must be underwritten by Loan Product Advisor and receive a risk classification of Accept.</li> </ul> <p><b>Borrower Benefit:</b> Regardless of LPA findings, the underwriter must verify the Borrower Benefit requirement has been met. The new loan must provide the following benefits to the borrower:</p> <ul style="list-style-type: none"> <li>A first lien mortgage reduction in interest rate of at least 50 basis points, <u>and</u></li> <li>For mortgages with an LTV less than or equal to 80%, a reduction in the first lien mortgage principal and interest payment amount, or</li> <li>For mortgages with an LTV greater than 80%, a reduction in the first lien mortgage monthly combined principal, interest, and the mortgage insurance payment (if applicable).</li> <li><b>Manual Underwriting:</b> Manual underwriting is not permitted. All loans must be approved through LPA.</li> </ul>