



FHLMC Refi Possible 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				
No Cash Out (Rate/Term) Refinance				
Property Type	LTV ¹	TLTV/HTLTV ²	Min Credit Score	Max DTI
1 Unit	97%	97%	620	Per LPA
Manufactured Housing	95%	95%	620	Per LPA
Topic	Requirement			
4506-C/Tax Transcripts	<ul style="list-style-type: none"> A signed 4506-C for all years in which income was used in the underwriting decision are required. Transcripts will be verified where tax returns are utilized for income qualification, or at the underwriter's discretion 			
Appraisal	<ul style="list-style-type: none"> Full appraisal required unless ACE waiver issued by LPA Automated Collateral Evaluation (ACE) appraisal waivers are permitted per LPA findings Appraisal Fee: A credit of up to \$500 should be provided to the borrower at closing if an appraisal was obtained Transferred appraisals permitted in compliance with FHLMC, regulatory requirements, and HomeXpress Policy 			
Borrower Eligibility	<p>Borrower Income Limit: The borrower(s) income must be less than or equal to 100% of the applicable AMI limit for the subject property's location.</p> <ul style="list-style-type: none"> In determining whether a loan is eligible under the borrower income limits, the lender must consider the income from all borrowers who will sign the note, to the extent that the income is considered in evaluating creditworthiness for the new loan. LPA will determine income eligibility based on the income and property address input in LPA. Income eligibility can also be determined using the Refi Possible Income and Property Eligibility Tool. <p>Identical Borrowers: The loan must have identical borrowers on the new loan and the existing loan. Borrowers cannot be added or removed, except for the following exception that allows a borrower to be removed. One or more borrowers may only be removed if:</p> <ul style="list-style-type: none"> the remaining borrower(s) meet the payment history requirements and provides evidence that they have made at least the last 12 months of payments from their own funds, or due to the death of a borrower (evidence of the deceased borrower's death must be documented in the loan file). If only a deceased borrower has been removed, the remaining borrowers do not need to provide evidence of payment from their own funds but all other requirements must be met. <p>The following are ineligible borrowers</p> <ul style="list-style-type: none"> Partnerships Corporations Guardianships 			

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

LTV > 95% requirements:

- All borrowers must occupy the property; non-occupant co-borrowers not allowed.
- Manufactured Housing maximum 95% LTV.

² Subordinate financing:

- The TLTV ratio may exceed the limits stated in the matrices up to 105% only if the mortgage is part of an Affordable Second transaction.

	<ul style="list-style-type: none"> ○ Life Estates ○ LLCs ○ Non-Revocable Inter Vivos Trusts ○ Foreign nationals ○ Borrowers with diplomatic immunity ○ Borrowers on deferred action (DACA) ● Each borrower on the loan transaction must have a valid Social Security number; <ul style="list-style-type: none"> ○ ITIN (IRS Tax Identification Numbers) are not allowed.
Condominium	Project review requirements are waived for properties located in a condo, or PUD project except that the lender must confirm the project is not a condo or co-op hotel or motel, houseboat, timeshare or segmented ownership project.
Credit	<p>Qualifying Credit Score:</p> <ul style="list-style-type: none"> ● Qualifying score is determined by LPA ● At least one borrower must have a valid Credit Score, and obtain LPA approval ● Manual underwriting for borrowers without a Credit Score is not allowed. <p>Minimum Credit Score:</p> <ul style="list-style-type: none"> ● 620 <p>Housing History: The mortgage being refinanced must have a payment history that indicates the following:</p> <ul style="list-style-type: none"> ● The mortgage has not been 30 days delinquent in the most recent six months, and ● The mortgage has not been 30 days delinquent more than once in the most recent 12 months, and ● The mortgage has not been 60 or more days delinquent in the most recent 12 months <p>If the borrower has missed payments due to a COVID-19 forbearance, and those payments have been resolved in accordance with the temporary eligibility requirements in Bulletin 2020-17, then the</p> <ul style="list-style-type: none"> ● missed payments are not considered delinquencies for purposes of meeting these payment history requirements. This will apply for as long as the temporary policies remain in effect. <p>Credit Report Requirements:</p> <ul style="list-style-type: none"> ● Full Tri-Merged Credit Report (TRMCR) is required ● Trended credit data is required, if broker credit report does not contain trended data, HXM will pull new credit to comply with Freddie Mac requirements.
Escrow Accounts	<ul style="list-style-type: none"> ● Escrow accounts are standard for the collection of property taxes, hazard insurance and flood insurance where applicable. ● Waivers may be requested in accordance with the Escrow Waiver Policy ● Flood insurance premiums where applicable must always be impounded/escrowed
Geographic Restrictions	<ul style="list-style-type: none"> ● Hawaii: <ul style="list-style-type: none"> ○ Properties in Lava Flow Zone 1 are not permitted ● Texas: Cash out (A6) transactions are not permitted
Income & Employment	<ul style="list-style-type: none"> ● Income must be documented per the LPA findings <p>Regardless of LPA findings, the following is required on all loans:</p> <ul style="list-style-type: none"> ○ 1003: A completed and signed 1003 is required for all borrowers. ○ 4506-C/Tax Transcripts: A signed 4506-C for all years in which income was used in the underwriting decision is required regardless of LPA findings. ○ Verbal Verification of Employment ○ Employment and Income Commencing After the Note Date: Not allowed.
Ineligible Transactions	<p>HomeXpress will not accept transactions including, but not limited to, the following:</p> <ul style="list-style-type: none"> ● Manual Underwriting ● Buydowns ● Repair Escrow ● Adjustable-Rate Mortgages (ARM) ● Borrower is a principal of the title company and/or settlement agent for the subject transaction.
Loan Limits	<p>Standard conforming loan limits.</p> <ul style="list-style-type: none"> ● Super Conforming (high balance) loans are ineligible for Refi Possible
Manufactured Housing	<ul style="list-style-type: none"> ● LPA Accept/Eligible required ● Owner occupied properties only

	<ul style="list-style-type: none"> • Must be classified as Real Property • The Manufactured Home must have been built on or after June 15, 1976 • Must be at least 12 feet wide and have a minimum 400 square feet of gross living area • Double-wide minimum width • Leasehold properties are ineligible • Condo or Coop projects comprised of manufactured homes are ineligible • The manufactured home may not have been previously installed or occupied at another location • All manufactured housing must meet Freddie Mac guidelines, LPA feedback certificate, and any restrictions in these Program Guidelines
Max # loans	<ul style="list-style-type: none"> • A maximum of four Government or GSE loans are permitted to one borrower with HomeXpress. • Non-QM or Jumbo programs are not included in this restriction
Mortgage Insurance	<p>Loans with LTVs greater than 80% require Mortgage Insurance. Freddie Mac does not restrict Mortgage Insurance to the current insurer; however, the Mortgage Insurance Companies may have restrictions. The LPA findings will identify the insurer that is currently providing coverage.</p> <ul style="list-style-type: none"> • Arch: The loan being refinanced must be insured by Arch. • Essent: The loan being refinanced must be insured by Essent. • Enact: The loan being refinanced does not need to be insured by Enact. • MGIC: The loan being refinanced must be insured by MGIC. • National: The loan being refinanced does not need to be insured by National. • Radian: The loan being refinanced must be insured by Radian. <p>HomeXpress can offer MI through Essent, MGIC, or National MI</p> <ul style="list-style-type: none"> • Lender Paid MI (monthly or single premium) not permitted, • Financed single premium not permitted. • Standard MI coverage is required regardless of LPA findings; custom or reduced MI is not eligible.
PACE Obligations	<ul style="list-style-type: none"> • 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.
Property Eligibility	<p>Ineligible Properties:</p> <ul style="list-style-type: none"> • Commercial property • Cooperatives • Condotels • Geothermal homes • Geodesic Domes • Mobile homes • Non-warrantable condos • Timeshares • Working farms, ranches, orchards • Community land trusts • Properties with C6 quality rating • Properties with C5 or C6 condition rating • Properties secured with PACE obligations or PACE like assessments • Properties on leased Indian Tribal Land
Repair Escrows	Not permitted
Reserves	Determined by LPA
Special Feature Codes/Investor Feature Identifiers (SFC/IFI)	<p>Special Feature Codes:</p> <ul style="list-style-type: none"> • J05 – All Refi Possible loans • 583 – Affordable Second, if applicable • G18 – Affordable Second entered in LPA in the <i>Total Gift Fund</i> field, if applicable
Subordinate Financing	<p>New subordinate financing is only permitted if it replaces existing subordinate financing.</p> <p>Existing subordinate financing:</p> <ul style="list-style-type: none"> • May not be satisfied with the proceeds of the new loan • May remain in place if it is resubordinated to the new loan • May be simultaneously refinanced with the existing first lien mortgage, provided that: <ul style="list-style-type: none"> ○ the unpaid principal balance (UPB) of the new subordinate lien is not more than the UPB of the

	subordinate lien being refinanced at the time of payoff, and there is no increase in the monthly principal and interest payment on the subordinate lien.
Texas Cash Out	<ul style="list-style-type: none"> • Texas 50(a)(6) and 50(f)(2) are NOT eligible
Tax Transcripts	<p>IRS tax transcripts are required in the following circumstances listed below:</p> <ul style="list-style-type: none"> • Borrower(s) is employed by a family member • Tax returns are required documentation based on the borrower's source of income <p>Additionally, the UW may require transcripts to be validated in the following circumstances:</p> <ul style="list-style-type: none"> • Handwritten paystubs are used as verification of income • A relationship exists between the parties to the transaction • The underwriter otherwise deems necessary
Transaction Restrictions	<p>Rate/Term Refinance (only):</p> <ul style="list-style-type: none"> • The existing loan must be a conventional mortgage loan owned or securitized by Freddie Mac • The existing loan must be seasoned at least 12 months (from the original note date to new loan note date) • The existing loan must not be subject to recourse, repurchase agreement, indemnification, outstanding repurchase demand, or credit enhancement (unless the new loan is also subject to the credit enhancement or it is no longer required). LPA will verify this. • The existing loan must not be an existing high LTV refinance loan, Freddie Mac Relief Refinance loan, Freddie Mac Enhanced Relief Refinance loan or a Refi Possible loan. LPA will verify this. <p>Cash-out must be less than or equal to \$250. Excess proceeds may be applied as a curtailment on the new loan.</p> <p>Refinances of Properties Listed for Sale: The listing agreement must be cancelled at least 1 day prior to the loan application.</p>
Underwriting Method	<p>Automated Underwriting:</p> <ul style="list-style-type: none"> • Loans must be underwritten by Loan Product Advisor and receive a risk classification of Accept. • Loans must be submitted or resubmitted to Loan Product Advisor on or after August 30, 2021. • Refer to Freddie Mac Bulletin 2021-17 for additional information. • Loans may follow the LPA Findings Report unless otherwise stated in Plaza's Program Guidelines. Additional may be requested at the discretion of the underwriter. <p>Borrower Benefit: 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"> • A first lien mortgage reduction in interest rate of at least 50 basis points, <u>and</u> • For mortgages with an LTV less than or equal to 80%, a reduction in the first lien mortgage principal and interest payment amount, or • 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). <ul style="list-style-type: none"> • Manual Underwriting: Manual underwriting is not permitted. All loans must be approved through LPA.