



Freddie Mac HomeOneSM Mortgage

Life is about first moments. Your first job.
Your first car. Your child's first steps.
Your first home.

Freddie Mac is making the dream of
owning a first home possible with the
HomeOne mortgage.



A low 3% down payment solution for first-time homebuyers.

HomeOne can help to overcome down payment concerns and offers important flexibilities to accommodate borrower needs.

Key Features

- ✓ New purchases only
- ✓ No borrower geographic or income limits
- ✓ Standard 35% mortgage insurance coverage required for LTVs > 95%
- ✓ Custom mortgage insurance coverage available with a credit fee in price
- ✓ Allows both Affordable Seconds[®] and other secondary financing
- ✓ Accommodates various property types
- ✓ Homebuyer education required for purchase transactions when all borrowers are first-time homebuyers



Summary of Origination and Underwriting Requirements

LTV Ratio	97% LTV / 105% TLTV / 97% HTLTV
Purchase Status	At least one borrower must be a first-time homebuyer
Refinance	No Cash-Out Refinance Mortgage being refinanced must be owned or securitized by Freddie Mac unless it has secondary financing that is an Affordable Second®
Eligible Properties	1- Unit Only No Manufactured Homes
Primary Residence	All borrowers must occupy the mortgaged premises as their primary residence
Loan Type	Fixed Rate
Income Limits	No Limits
Homeownership Education	Required when all borrowers are first-time homebuyers
Underwriting Path	Loan Product Advisor SM Only

For more information visit:

[Freddiemac.com/singlefamily/mortgages/homeone/homeone.html](https://freddiemac.com/singlefamily/mortgages/homeone/homeone.html)



Build a Brighter Financial Future

Online Resources Available

The Freddie Mac CreditSmart® program is available online in both English and Spanish. Take classes today to help you achieve your financial and homeownership goals.

CreditSmart is designed to help you build and maintain better credit, make sound financial decisions, and understand the steps to sustainable homeownership.

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Visit FreddieMac.com/creditsmart/consumer_training.html

Description of all 12 CreditSmart modules on back →

CreditSmart®

CreditSmart features 12 financial education modules that provide valuable information to help you improve your credit, manage your money, and be a responsible homeowner.

Module 1: Your Credit and Why It Is Important

This module introduces credit, basic terminology, and the importance of building a better credit record.

Module 2: Managing Your Money

Learn about the importance of developing a spending plan and developing wise spending habits, in addition to receiving tips on how to save money.

Module 3: Goal Setting

Find out about the importance of setting goals to achieve financial objectives.

Module 4: Banking Services: An Important Step

Get information on the basics of banking and the importance of establishing a relationship with a financial institution to build credit, save money, and achieve goals.

Module 5: Establishing and Maintaining Good Credit

Learn how to establish a credit presence and maintain a good credit history. The module also reviews the contents of a credit report, as well as the primary credit and consumer protection laws.

Module 6: Understanding Credit Scoring

This module describes credit scoring from a borrower's perspective and illustrates how consumer behavior affects it.

Module 7: Thinking Like a Lender

Learn how lenders and other financial institutions determine creditworthiness and how it relates to credit scores.

Module 8: Avoiding Credit Traps

Find out how to avoid credit traps, identify theft, and predatory lending practices that can consume personal resources and severely damage credit histories.

Module 9: Restoring Your Credit

This module shows how to deal with credit difficulties and provides tips on how to restore impaired credit.

Module 10: Planning for Your Future

This module outlines the process to achieve goals and attain financial security.

Module 11: Becoming a Homeowner

Get practical information on how to prepare to obtain a mortgage and own a home.

Module 12: Protecting Your Home Investment

This module contains information on understanding home equity, maintaining and improving your home, preparing for emergencies, and recognizing scams. Also included is a section on foreclosure alternatives.



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](#), 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.



Freddie Mac HomeOneSM

More flexibility for maximum financing.

Qualify more first-time homebuyers with our 3% down payment solution.

First-time homebuyers comprise nearly half of housing purchases. Meet their needs with an option that eases challenges around available savings for down payment and closing costs.

How HomeOne Helps Borrowers

› Solution for Down Payment Challenges

Brings more first-time homebuyers to the table by permitting 3% minimum down payment

› Broad Access

No geographic or income restrictions

› Getting Ready For Homeownership

Educational requirements support informed and responsible homeownership

› Not Every First Home Looks The Same

Eligible for single family homes, including townhouses and condos

Summary of Origination and Underwriting Requirements

BORROWER PROFILE	
<p>At least one borrower must be a first-time homebuyer* when the mortgage is a purchase transaction mortgage. <i>*Per the Single-Family Seller/Servicer Guide, a first-time homebuyer is defined as an individual who meets all the following requirements:</i></p>	
Is purchasing the mortgaged premises	Will reside in the mortgaged premises as a primary residence
Had no ownership interest (sole or joint) in a residential property during the three-year period preceding the date of the purchase of the mortgaged premises	
ELIGIBLE PROPERTIES	
1-unit properties, including condominiums and units in Planned Unit Developments (No Manufactured Homes)	
ELIGIBLE MORTGAGES	
Purchase transaction mortgages	<p>“No-cash out” refinance mortgages:</p> <p>LTV and/or HLTUV > 95%: the Mortgage being refinanced must be owned or securitized by Freddie Mac</p> <p>TLTV ratios > 95% and secondary financing is not an Affordable Second: the Mortgage being refinanced must be owned or securitized by Freddie Mac</p> <p>TLTV ratios > 95% and secondary financing is an Affordable Second: the Mortgage being refinanced does not have to be owned or securitized by Freddie Mac</p>
Construction Conversion and Renovation Mortgages originated per Guide Chapter 4602 are permitted	(Super conforming mortgages are not permitted)
OCCUPANCY	
Primary residence. All borrowers must occupy the mortgaged premises as a primary residence.	

(Continues)



Summary of Origination and Underwriting Requirements (continued)

TEMPORARY SUBSIDY BUYDOWNS

- Permitted, meeting the requirements of Guide Section 4204.4.

MAXIMUM LTV/TLTV/HTLTV RATIOS

- 97 LTV / 105 TLTV (when secondary financing is an Affordable Second) / 97 HTLTV.

PERMITTED SOURCES OF FUNDS

- All funds used to qualify borrowers, including, but not limited to, funds for down payment, closing costs and reserves, must come from the eligible sources described in Guide Section 5501.3.
- For Mortgages with interested party contributions, the requirements in Section 5501.5 must be met.
- When lender credit is being used for the mortgage transaction, the requirements in Section 5501.6 must be met.

CREDIT UNDERWRITING (LOAN PRODUCT ADVISOR®)

- At least one borrower on the transaction must have a usable Credit Score.
- HomeOne Mortgages must be Loan Product Advisor® Mortgages with a Risk Class of Accept.
- Manually underwritten mortgages are not eligible.

MORTGAGE INSURANCE (MI) REQUIREMENTS

- The standard required, or custom MI coverage levels for HomeOne are 35% and 18%, respectively.
- Sellers must obtain Freddie Mac's approval to sell mortgages with annual or monthly premium lender-paid mortgage insurance to Freddie Mac.
- See Guide Section 4701.1 for additional MI requirements and options, including custom MI.

COLLATERAL EVALUATIONS

- Standard Guide requirements apply.

HOMEBUYER EDUCATION AND BORROWER DISCLOSURE

Required for purchase transactions when **all** Borrowers are First Time Homebuyers as defined in the Guide. See Guide Section 5103.6 for homeownership education requirements.

(Continues)



Delivery Requirements

ELIGIBLE EXECUTIONS	
Servicing-Retained Cash	Servicing-Released Cash
Fixed-rate Guarantor	MultiLender Swap
DELIVERY REQUIREMENTS	
<ul style="list-style-type: none"> • There are no new unique data attributes for HomeOne that are introduced throughout the loan manufacturing process from origination to delivery to identify Freddie Mac HomeOne Mortgages. Existing data attributes will be used to identify these Mortgages and include the following: • For No Cash-Out Refinance Mortgages, see Section 6302.16(b)(ii) for special delivery requirements as follows: <ul style="list-style-type: none"> • Sellers must enter the valid value of “FRE” for ULDD Data Point Related Loan Investor Type (Sort ID 222). If available, Sellers should also provide the associated Freddie Mac loan number of the Mortgage being refinanced for ULDD Data Point Related Investor Loan Identifier (Sort ID 221). • For applicable secondary financing delivery requirements, see Guide Section 6304.34. In addition, Sellers must provide the applicable information, as outlined in Guide Section 6302.14(b) for down payment, closing costs, automated underwriting system, and borrower counseling. • For Affordable Seconds, if applicable, Sellers must deliver the following Investor Feature Identifiers (IFIs) in ULDD Data Point IFI: <ul style="list-style-type: none"> • IFI 583 (mortgage with an Affordable Second) • IFI G18 (mortgage with Affordable Second entered into Loan Product Advisor in “Total Gift Fund” field) 	
POOLING REQUIREMENTS	
<ul style="list-style-type: none"> • There are no special pooling requirements for HomeOne mortgages. Refer to Guide Chapter 6202 for pooling requirements. • Mortgages may be pooled with non-HomeOne mortgages. 	
CREDIT FEES IN PRICE	
<ul style="list-style-type: none"> • Please review Guide Exhibit 19 for credit fees in price applicable to HomeOne, including mortgages with indicator score/loan-to-value and secondary financing. 	

Learn More about HomeOne

- Review Chapter 4605 of the *Single-Family Seller/Servicer Guide*
- Call the Customer Support Contact Center (800-FREDDIE)

My Home
by Freddie Mac®

Información
en español
disponible

Helping You Understand The Housing Process

My Home is your “go-to” resource for being
a smart homebuyer, homeowner or renter.



 Get started and visit My Home today

 MyHome.FreddieMac.com


We make home possible®

What will you find on My Home?

A wealth of information and interactive tools to help you answer important questions, including:



Is buying right for me?



Why is my credit so important?



What are the steps to get started?



How much can I afford?



Where can I get help with my mortgage?



What are my down payment options?



Does refinancing make sense for me?

While you're visiting, check out CreditSmart[®], our online financial education curriculum – available in English and Spanish – at MyHome.FreddieMac.com/resources/education.html


We make home possible[®]

Automated Collateral Evaluation

**Looking for a way to save your
buyers time and money?**

With **ACE**, when a loan and purchase price meet our requirements there's no need to order an appraisal.



**Close up to
7-10 days
faster**



**Save up to
\$300-\$700
by not getting an appraisal**

Source: Freddie Mac Single-Family Strategic Delivery and lender feedback

Improve the homebuyer experience
and clear the path to homeownership.
Empower your clients to ask their
lenders about **ACE**.

Visit [FreddieMac.com/RealEstatePros](https://www.FreddieMac.com/RealEstatePros)
for housing insights, networking and
training opportunities.



Freddie Mac Real Estate Professionals Resource Center

Grow Your Business with:

- Relevant industry news.
- Tips and tools to boost referrals.
- Housing data and information.
- Networking events and trainings.

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