Freddie Mac Refi Possible

Freddie Mac Refi Possible offers expanded eligibility to benefit borrowers at or below 100% of the area median income (AMI) limit.
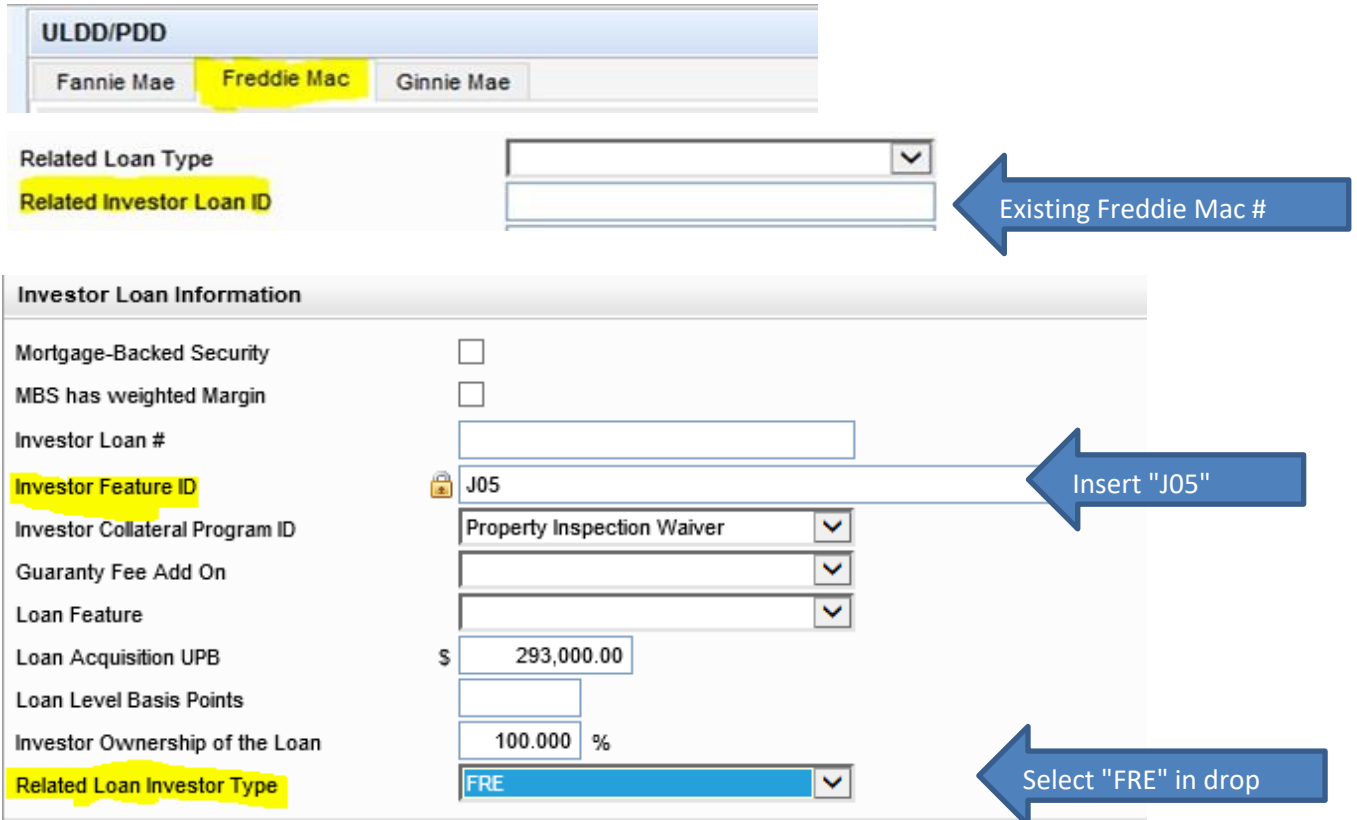
Existing Loan Eligibility	**The existing loan must:** • be a conventional loan currently owned or securitized by Freddie Mac, AND **(Freddie Mac Loan Lookup tool: https://loanlookup.freddiemac.com)** • be seasoned at least 12 months (measured from the original note date to the new note date.), AND • may not be a Freddie Mac Relief Mortgage; Freddie Mac Enhanced Relief or a Refi Possible, AND • 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).

New Loan Eligibility	• Fixed Rate Only
	• Maximum LTV 97%
	• Conforming loan limits only.
	• Must have the same identical borrowers on the new loan as the existing loan.
	• New borrowers cannot be added.
	• One or more borrowers may only be removed if:
	    ► 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.

Cash-Back	• Maximum cash out must be ≤ $250.00. (Excess proceeds may be applied as a principal curtailment.
AUS	• Submitted to Loan Product Advisor, must be Accept/Eligible • LP Findings must reflect "Refi Possible" under mortgage details. **Mortgage Details** PRODUCT TYPE 30 Year Fixed Rate LOAN PURPOSE Refinance PROPERTY TYPE Site Built OFFERING IDENTIFIER Refi Possible • **Manual underwriting not permitted** Loan Product Advisor will automate the identification of loan casefiles that appear to be eligible for RefiNow based on the borrowers listed on the loan application, the property address, qualifying income, and several other factors.
Ratio's	• Maximum DTI 65%
Credit Score	• No minimum credit score.
Mortgage Payment History	• No 30-day lates in the most recent six-month period AND • No more than one 30-day late in months 7 through 12. • Has not been 60 or more days delinquent in the most recent 12 months.

Borrower Income Limits	• 100% of area median income (AMI) for the subject property's location.
	    ► 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.
	    ► the income used to qualify the borrower and submitted to loan Product Advisor will determine the income eligibility of the Mortgage.
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Borrower Benefit	• Must be a reduction in interest rate of at least 50 basis points **AND** • A reduction in the monthly payment (Principal, Interest and Mortgage Insurance).
Mortgage Insurance (MI) Coverage	**Standard MI Coverage applies.** • **National MI:** Available for all loans regardless of current MI holder. • **Genworth:** Available for all loans regardless of current MI holder. • **MGIC: Permitted only on loans they currently insure.** • **ARCH: Permitted only on loans they currently insure.** • **Essent: Permitted only on loans they currently insure.**
Property Types	• Single Family, Condo's and Puds. (Project reviews are waived. Lender must confirm the project is not a condo hotel or motel, houseboat, timeshare or segmented ownership project.) • **Manufactured Housing and Co-ops are not permitted**

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Subordinate Financing	• Existing subordinate financing:
	  ► may not be satisfied with the proceeds of the new loan, and
	  ► can remain in place if it is resubordinated to the new loan

Income Documentation	Income Type	Minimum Documentation requirements
	Base Pay (non-variable)	Borrower's most recent paystub
	Base Pay (variable) Tip, Bonus, Overtime and Commission income	The borrower's most recent paystub and W2 covering the most recent one-year period
	Military Income	Military Leave and Earnings Statement
	Self-employment	One year personal and business tax returns, unless the terms to waive business tax returns are met in accordance with the Selling Guide
	Alimony, Child Support, or Separate Maintenance	Copy of divorce decree, separation agreement, court order or equivalent documentation, and one month documentation of receipt
	All other Eligible Income	Standard Selling Guide requirements apply

Assets	• When funds required for closing are $500 or less, verification of funds is not required. • When funds required for closing are more than $500, verification of funds to close is required. Acceptable asset documentation includes one-month account statement.
Property Valuation	• Standard property valuation requirements for an appraisal waiver or appraisal apply. • A $500 credit will be provided to the borrower if an appraisal was obtained for the transaction.

Encompass Delivery Requirements (ULDD Screen requirements)

The following data points must be completed on the Freddie Mac ULDD screen in encompass for delivery of Freddie Mac Refinance loans.

1) Freedie Mac loan # on the mortgage being refinanced must be inserted in "Related Investor Loan ID"

2) Add Investor Feature ID "J05"

3) Select "FRE" in the drop down box in "Related Loan Investor Type"