

# Product Guidelines

## Freddie Mac Relief Refinance - Open Access

PROGRAM CODES: See the Program Codes section

Version 2.3 –06/05/17



RATE/TERM REFINANCE - CONFORMING								
Occupancy		Max Loan Amount	Maximum LTV	Maximum CLTV	Min FICO	Max Ratios	Mortgage/Rental History	Reserves
<b>Primary</b>	1- 4 Units	\$424,100 - \$815,650	135%	135%	660	50%	Evaluated by LPA	Evaluated by LPA
<b>Primary</b>	1-4 Units	\$424,100 - \$815,650	105%	105%	620	50%	Evaluated by LPA	Evaluated by LPA
<b>2<sup>nd</sup> Home</b>	1 Unit	\$424,100	105%	105%	660	50%	Evaluated by LPA	Evaluated by LPA
<b>Non-Owner</b>	1 Unit	\$424,100	105%	105%	660	50%	Evaluated by LPA	Evaluated by LPA
<b>Non-Owner</b>	2 Units	\$543,000	105%	105%	660	50%	Evaluated by LPA	Evaluated by LPA
<b>Non-Owner</b>	3 Units	\$656,350	105%	105%	660	50%	Evaluated by LPA	Evaluated by LPA
<b>Non-Owner</b>	4 Units	\$815,650	105%	105%	660	50%	Evaluated by LPA	Evaluated by LPA
RATE/TERM REFINANCE – SUPER CONFORMING								
Occupancy		Max Loan Amount	Maximum LTV	Maximum CLTV	Min FICO	Max Ratios	Mortgage/Rental History	Reserves
<b>Primary</b>	1-4 Units	\$636,150 - \$1,223,475	135%	135%	660	50%	Evaluated by LPA	Evaluated by LPA
<b>Primary</b>	1-4 Units	\$636,150 - \$1,223,475	105%	105%	620	50%	Evaluated by LPA	Evaluated by LPA
<b>2<sup>nd</sup> Home</b>	1 Unit	\$636,150	105%	105%	660	50%	Evaluated by LPA	Evaluated by LPA
<b>Non-Owner</b>	1 Unit	\$636,150	105%	105%	660	50%	Evaluated by LPA	Evaluated by LPA
<b>Non-Owner</b>	2 Units	\$814,500	105%	105%	660	50%	Evaluated by LPA	Evaluated by LPA
<b>Non-Owner</b>	3 Units	\$984,525	105%	105%	660	50%	Evaluated by LPA	Evaluated by LPA
<b>Non-Owner</b>	4 Units	\$1,223,475	105%	105%	660	50%	Evaluated by LPA	Evaluated by LPA

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### Freddie Mac Relief Refinance - Open Access Underwriting Guidelines Requirements (All loan amounts must be submitted through LPA as Open Access)

#### COLLATERAL

General	Loan must have a Freddie Mac Settlement Date on or before May 31, 2009. Refer to Freddie Mac's "Loan Look-Up Tool" at <a href="https://ww3.freddie.com/corporate/">https://ww3.freddie.com/corporate/</a> to determine if property is Freddie Mac owned. The loan must be a first lien owned by Freddie Mac, in whole or in part, or securitized by Freddie Mac. Loan Product Advisor (LPA) must be run under Open Access. LPA cannot be re-run after the note date; all changes must be made prior to the note date or before docs; no changes are allowed after closing.
Property Valuation Requirements	<p>Property value may be determined for the Relief Refinance Mortgage by one of two different methods:</p> <p>Option One: Home Value Explorer® (HVE)</p> <p>CMS may determine the value of the Mortgaged Premises using a point value estimate from HVE. Sellers using HVE data agree to the terms and conditions relating to use of data generated by Home Value Explorer.</p> <p>All the following requirements must be met:</p> <ul style="list-style-type: none"><li>• Property is a 1- or 2-unit attached or detached dwelling, or a unit in a Condominium Project or Planned Unit Development (PUD) (no Manufactured Homes, dwelling on a leasehold estate, or if CMS is permitted to deliver Cooperative Share Mortgages under its Purchase Documents, a Cooperative Unit)</li><li>• The Forecast Standard Deviation is no greater than 0.20 (corresponding to a Confidence Score of “H” (high) or “M” (medium))</li><li>• CMS must maintain the HVE point value estimate for the Relief Refinance Mortgage – Open Access and any information necessary to evidence compliance with the HVE requirements. Upon Freddie Mac’s request, CMS must provide Freddie Mac with a copy of this HVE documentation.</li><li>• As of the Note Date of the refinance Mortgage, the HVE point value estimate may not be more than 120 days old</li></ul> <p><b>Note:</b></p> <ul style="list-style-type: none"><li>• When using the HVE value received on the Loan Product Advisor Feedback Certificate, if the Feedback Certificate provides a different HVE value when the mortgage is resubmitted to Loan Product Advisor, FHLMC does not prescribe the which HVE value must be used, provided that all applicable requirements are met</li><li>• AVM’s other than HVE are not allowed</li><li>• For Texas Equity Section 50(a)(6) Mortgages, the Seller must obtain an appraisal that meets Freddie Mac requirements and complies with Section 50(a)(6)(Q)(ix) and Section 50(h) of Article XVI of the Texas Constitution.</li></ul> <p><b>Seller Representation and Warranties:</b></p> <p>Relieved of value, internal and external condition and marketability of the Mortgaged Premises representations and warranties for the Relief Refinance Mortgage – Open Access. CMS may not use the HVE value option if aware of any circumstances or conditions adversely affecting the value, condition or marketability of the Mortgaged Premises as of the Settlement Date. All information provided for the purpose of obtaining the HVE point value estimate, including the address of the Mortgaged Premises, is true, complete and accurate.</p> <p><b>Option Two: Obtain a New appraisal</b></p> <p>Property value must be determined by obtaining an appraisal with an interior and exterior inspection that meets Freddie Mac requirements. Exterior only appraisals are not acceptable.</p> <p>Seller Representation and Warranties: Relieved of representations and warranties regarding the value, condition and marketability of the Mortgaged Premises.</p>

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	<p><b>Note:</b></p> <ul style="list-style-type: none"> <li>• Freddie Mac will accept appraisal reports with a property condition rating of C5 or C6 and/or quality rating of Q6 completed on an “as-is” basis</li> <li>• The appraisal does not have to be completed “subject to” needed repairs being completed.</li> <li>• CMS is not responsible for the completeness and accuracy of the appraiser's description of the Mortgaged Premises, and the accuracy of and support for, the appraiser's opinion of the market value of the property.</li> </ul>
Appraisal	<p>Follow FHLMC Property Inspection Alternative (PIA). Properties with condition rating of C5 or C6 are not eligible. Transferred appraisals are permitted with proof the appraisals comply with Appraisal Independence Requirements (AIR).</p> <p>The following requirements must be met to use an HVE point value estimate:</p> <ul style="list-style-type: none"> <li>• The property must be a 1 to 2 unit attached or detached dwelling</li> <li>• The Forecast Standard Deviation from HVE is .20 or less and the Confidence Score is "H" (high) or "M" (medium).</li> <li>• The HVE cannot be &gt; 120 days old from the note date</li> <li>• HVE value can be located at <a href="http://www.freddiemac.com/hve/hve.html">http://www.freddiemac.com/hve/hve.html</a></li> </ul> <p>Super Conforming loans must have an interior and exterior inspection that meets Freddie Mac requirements.</p> <p>Additional requirements are:</p> <ul style="list-style-type: none"> <li>• 1 - 4 unit - and appraised value <math>\geq</math> \$1,000,000 and LTV/CLTV &gt; 75%, field review on form 1032 is required. If field review results in a different value, the lower value from the field review or sales price must be used to calculate the LTV/CLTV.</li> <li>• Appraiser must be state certified regardless of loan amount.</li> </ul> <p>HPML loans may require second appraisal.</p>
Appraisal Updates	Permitted. Follow guidelines and acceptable extension dates. The appraisal update must be completed before the appraisal expires.
Condo	<p>Project review is not required. Documentation that project is NOT a Hotel/Resort Project, Condotel, houseboat, timeshare or segmented ownership is required. \$1.0 Million liability required for attached condos.</p> <p>The project has insurance that meets the applicable insurance requirements referenced in the seller guide.</p>
Property Restrictions	Manufactured homes, Condotels, Land Contracts, Timeshares, Lodging Units, State-approved medical marijuana producing properties, Working Farms and Ranches, properties serviced by hauled water and Co-ops are not eligible.
State Specific Restrictions	<p>Massachusetts properties are not eligible.</p> <p>Hawaiian Properties located in Lava Zones 1 and 2 are not eligible.</p> <p>Illinois Land Trust Vesting are not eligible.</p> <p>Texas 50 (a)(6) are not eligible.</p>
Department of Hawaiian Home Lands (DHHL)	Follow agency guideline for Leaseholds.
Resale/Deed Restrictions	Resale/Deed restrictions are not permitted.
Max # of Financed Properties	Borrower can have up to 6 financed properties including subject property.
Rent Loss Insurance	Not required.

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#### TYPES OF FINANCING

Listed For Sale or Purchase	Properties currently listed for sale are ineligible for refinance. Property must be taken off the market prior to the loan application date.
Borrower Benefit	Relief Refinance mortgage must have one of following purposes: <ul style="list-style-type: none"> <li>• Interest Rate reduction on the first lien mortgage</li> <li>• Replace an ARM, Initial Interest mortgage or any mortgage with an interest-only period, a balloon/reset mortgage with a fixed rate, fully amortizing mortgage.</li> <li>• Reduction in the amortization term of the first lien mortgage.</li> <li>• Reduction in the monthly principal and interest payment of the first lien mortgage.</li> </ul>
Secondary Financing	New Secondary Financing is not permitted. Existing 2nd liens must re-subordinate or can be refinanced simultaneously with the First Lien for one of the following purposes: <ul style="list-style-type: none"> <li>• Interest rate of the junior lien is reduced.</li> <li>• Replace ARM, an interest-only junior lien, junior lien with a balloon or call option with a fixed-rate, fully amortizing junior lien.</li> <li>• Amortization term of the junior lien reduced.</li> <li>• Monthly payment of the junior lien reduced.</li> </ul> <p>Unpaid principal balance of the new junior lien may not be more than the unpaid principal balance, at the time of payoff, of the junior lien being refinanced.</p> <p>Terms of any secondary financing must be disclosed to the appraiser and the MI company.</p>
Rate and Term Refinances only	<ul style="list-style-type: none"> <li>• Proceeds must be used to Pay off a first mortgage including only unpaid principal balance and interest accrued through date of funding, proceeds may pay up to the lesser of 4% of the unpaid principal balance or \$5,000 in related Closing Costs, Financing Costs, and Prepays/Escrows.</li> <li>• Pay off may not include delinquent taxes and escrow shortages.</li> <li>• Maximum cash back to the borrower is \$250. Any cash to borrower exceeding \$250 must be applied as a principal curtailment at closing.</li> </ul>

#### CREDIT

Minimum FICO	Use the lowest FICO (middle of 3; or lower of 2) for all borrowers. Minimum of one (1) reported credit scores for each borrower with a <b>trimerge credit report required.</b>
Bankruptcy	Chapter 13: Must be > 2 years from discharge date or > 4 years from dismissal date. Chapter 7: Must > 4 years from discharge or dismissal date. Multiple Bankruptcy filings within the past 7 years must be discharged/dissmised > 5 years.
Short Refinance / Modifications / Restructure	Borrowers who applied for and received a mortgage modification are not eligible for Open Access program. Restructured mortgages of any kind are not eligible regardless if on subject or different property.
Preforeclosure / Short Sale / DIL	At least 4 years since completion date of short sale. At least 4 years from execution date of a deed-in-lieu.
Derog / Collections / Charge Offs	Follow LPA findings.
Judgments / Liens	Outstanding judgments and liens must be paid at or prior to loan closing. Documentation required.
Foreclosure	Must be > 7 years since previous foreclosure.

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Debts / Minimum Payment	5% of balance for revolving accounts if payment not reporting. Include all revolving payments regardless of the number of payments remaining. Installment debts with more than 10 months of payments remaining must be included. Auto lease always included regardless of remaining payments. Accounts currently deferred or in forbearance must use the payment amount that will be required once the deferment or forbearance period has ended.
Mortgage History	Mortgage History evaluated by LPA
<b>INCOME/ASSETS</b>	
Debt Ratio	Maximum 50% DTI / Maximum 45% for HPML loans.
Residual Income	Residual Income is required on HPML loans only: Primary Residence: <ol style="list-style-type: none"> <li>1. &gt;= \$2500: No minimum reserves.</li> <li>2. &gt;=\$800 and &lt; \$2500: Greater of 3 months liquid PITI reserves OR base program minimum reserve requirements.</li> <li>3. &lt; \$800: Loans are not permitted.</li> </ol> Second Home: Must be >= \$2500.
Long Term Debt	The monthly payment on every revolving and open-end account with a balance must be included in ratio calculation. Accounts cannot be paid down to qualify. Installment or Mortgage accounts must be paid in full. Mortgage being refinanced that has recourse, indemnification, or another negotiated credit enhancement are not eligible. Payoff of revolving accounts in order to qualify the borrower is generally not allowed.
Non-Taxable Income	Document Per the FHLMC Relief Refinance Mortgages Income & Asset Documentation Requirements. <a href="http://www.freddiemac.com/learn/pdfs/uw/rr_income_assets.pdf">http://www.freddiemac.com/learn/pdfs/uw/rr_income_assets.pdf</a>
Rental Income from Other Real Estate Owned	Document Per the FHLMC Relief Refinance Mortgages Income & Asset Documentation Requirements. <a href="http://www.freddiemac.com/learn/pdfs/uw/rr_income_assets.pdf">http://www.freddiemac.com/learn/pdfs/uw/rr_income_assets.pdf</a> Can use 24-month average from Schedule E for calculation. The full amount of the mortgage payment (PITIA) must be included in the borrower's total monthly obligations when calculating the DTI ratio.
Future Employment	Not Eligible
Documentation/4506T or 2907 Puerto Rico Tax Returns	Full income documentation loans only; must follow LPA stipulations plus the following. A written VOE cannot be standalone documentation. Minimum documentation level for salaried wage earners are W-2(s) for the previous year plus LPA stipulations. A written VOD cannot be standalone documentation. At least one month's bank statement is required when a VOD is used. Tax transcripts for all borrowers from the most recent year 1040 IRS Tax Return is required to be obtained by CMS. In addition, IRS form 4506T must be executed on all loans at application and closing. Borrowers with income from Puerto Rico must: Sign form Modelo SC 2907 to obtain tax transcripts, returned Modelo SC 2903 transcripts for 2 years, and transcripts must be translated to English and notarized by 3rd party. The 4506T must be in the file with confirmation that states "no records found" when using Puerto Rico tax returns. The confirmation must be from the IRS website and contain the borrowers name and SSN.
Minimum Reserves	Verify all reserves/assets entered into LPA.

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#### GENERAL

Minimum Loan Amt	Loans < \$50,000 require underwriting manager approval.
Maximum Loan Amt	See Matrix Above.
Maximum Combined Loan Amount	\$1 million. Aggregate on all properties with one investor/servicer is \$1.5 million or maximum of 4 financed properties with the same investor/servicer - whichever is less.
AUS Recommendations Allowed	Loans must have a LPA Risk Class of Accept only and must be submitted as LPA Open Access. Loans that receive Risk Class of A-minus or Caution are not permitted. In addition, Manual underwriting is not permitted.
Age of Documents	Must be <90 days old at time of funding. Appraisal must be <120 days old at the time of closing.
Loan Terms Available	15, 20, and 30 Year Fixed.
Qualifying Fixed Products	Qualify at Note Rate
Assumptions	Assumptions are not permitted.
Borrower Eligibility	Permanent and Non-Permanent Resident Aliens allowed with supporting documentation. Foreign Nationals or borrowers with Diplomatic Immunity are not permitted. Trust Agreements not permitted. Borrowers on the existing note (or current borrowers if the existing mortgage was assumed) must be the same as the borrowers on the new note. An existing borrower may be removed from the transaction provided at least one borrower from the original Note remains on the new loan and deed of title. The borrower removed must also be removed from the deed. A borrower may be added to the new loan, provided the original borrower remains.
Co-Borrowers	Occupant co-borrower must qualify. Non-occupying borrower may not be added to the transaction.
Mortgage Insurance (MI)	Loans that require mortgage insurance are not eligible. MI coverage amount for LTV > 80%: <ul style="list-style-type: none"> <li>If mortgage being refinanced does not have MI coverage, then no MI coverage is required for the new refinance mortgage.</li> </ul> Lender paid MI premiums that are paid monthly or have not already been paid in full are not permitted.
Occupancy	1 to 4 unit Primary Residence 1 unit Second Home: must meet the requirements of General Mortgage Eligibility; Second home mortgages (except for the requirement for the number of financed properties.) 1 to 4 unit Investment Property: must meet the requirements of General Mortgage Eligibility; Investment Property mortgages (except for the requirement for the number of financed properties.)
Prepayment Penalty	Not permitted.
Escrow Waivers	Not permitted.

#### Program Codes

30 Year Fixed	
Program Code	LTV
C30FO80	Up to 80.00
C30FO105	80.01-105.00
H30FO80	Up to 80.00
H30FO105	80.01-105.00

20 Year Fixed	
Program Code	LTV
C20FO80	Up to 80.00
C20FO105	80.01-105.00
H20FO80	Up to 80.00
H20FO105	80.01-105.00

15 Year Fixed	
Program Code	LTV
C15FO80	Up to 80.00
C15FO105	80.01-105.00
H15FO80	Up to 80.00
H15FO105	80.01-105.00