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Fhlmc home possible advantage guidelines

FHLMC Home Possible® mortgage offers unprecedented flexibility and options to meet a variety of borrowers' needs. With Home Possible, you will capitalize on opportunities to meet home financing needs of low and moderate income borrowers looking for low down payment and flexible sources of funds. FHLMC Home Possible® Basics Designed to help low- and moderate-income households get homeownership through affordable financing without having to make a large down payment 620 minimum qualifying credit score for all eligible borrowers Max LTV up to 97%, TLTV up to 105% 15, 20, 25 and 30 years fully amortize fixed rate terms available Available for purchase or no cash out refinance What are the benefits? Lower credit scores accepted a borrower with FICO scores of as little as 620 may be eligible for the FHLMC Home Possible® program. Flexible terms FHLMC Home Possible® is available in 15, 20, 25 or 30 year fixed rate terms. This provides some flexibility in how long borrowers have to pay off their loans. Fixed interest Rates This program offers fixed interest rates, so that each borrower's main and interest payments remain the same, despite fluctuations in the mortgage market. Low repayment, low reserves With FHLMC Home Possible® loans, borrowers can buy a home for as little as 3% down for 1-2 unit primary homes. No minimum borrower contribution on 1 unit, as low as 3% for 2-unit properties In what scenarios is FHLMC Home Possible® a good option? FHLMC Home Possible® loan program is an ideal solution for low- to moderate-income borrowers without much cash reserves for a down payment. Here are some specific scenarios that a FHLMC Home Possible loan might make sense: A first-time borrower with less-than-perfect credit and low cash reserves needs financing for a 1-unit primary residence A current low-income homeowner with 5% + equity is interested in refinancing to reduce mortgage rates and/or monthly mortgage payment A current low-income homeowner with 5% + equity is interested in refinancing to reduce mortgage rates and/or monthly mortgage payment A The borrower who meets all income/liabilities/asset requirements buys a duplex and intends to live full-time in one unit and rent the other unit out Buying a home with an FHLMC Home Possible® Loan borrowers can buy a home with FHLMC Home Possible® program by meeting the required eligibility requirements for the program. Funding through FHLMC Home Possible® program allows borrowers who are in moderate to low-income brackets to buy a home with up to 97% LTV. For the Home Possible program, borrowers must first consider whether they meet the income constraints for their area. Income limits vary from place to place. Once the income qualification is established, the borrower and lender can continue as normal throughout the rest of the loan process. FHLMC Home Possible® Refinancing borrowers can use a no cash out refinance option through the FHLMC Home Possible® program. Cash out refinancing is not available for this program. Other programs to explore FHLMC Home Possible® Possible® does not work for the scenario you have in mind, perhaps one of these programs will be a better option: FHLMC Fully amortizing fixed rate & Super Conforming, for conventional and jumbo financing needs, plus a cash-out refinancing option FHLMC HomeOne is a low repayment solution helping more first-time home buyers achieve the milestone of homeownership - regardless of income level or geographic location New Low-Downpayment Mortgage goal to change the game for home buyers MCLEAN, VA--(Marketwired - Dec 8, 2014) - Freddie Mac (OTCQB: FMCC) today launched Home Possible Advantage (SM), a fair-pay, conventional mortgage with a three percent repayment requirement designed to make responsible home ownership available to more first-time buyers and other eligible borrowers with limited repayment savings. Freddie Mac Executive Quote: Attribute to Dave Lowman, Executive Vice President, Single-Family Business on Freddie Mac: Home Possible Advantage gives eligible borrowers with limited repayment savings a responsible path to home ownership and lenders a new tool to reach eligible working families ready to own a home of their own. Home Possible Advantage is Freddie Mac's latest effort to promote a strong and stable mortgage market. Key facts: Home Possible Advantage offers eligible low- and moderate-income borrowers a matching conventional mortgage with a maximum loan-to-value ratio of 97 percent. Home Possible Advantage mortgage can be used to buy a single unit property or for a no cash out refinance of an existing mortgage. First-time homebuyers must participate in an acceptable borrower education program, such as Freddie Mac's CreditSmart®, to qualify for Home Possible Advantage. Home Possible Advantage mortgages are available as 15-, 20-, and 30-year fixed-rate mortgages. For more information, . Lenders should contact their Freddie Mac representative and interested borrowers should contact a Freddie Mac lender. Freddie Mac was established by Congress in 1970 to provide liquidity, stability and affordability to the nation's mortgage markets. Freddie Mac supports communities across the country by giving mortgage capital to lenders. Today, Freddie Mac makes home possible for one in four mortgage borrowers and is one of the largest sources of funding for multifamily housing. Additional information is available FreddieMac.com, Twitter @FreddieMac and Freddie Mac blog FreddieMac.com/blog. The financial and other information contained in the documents that can be accessed on this page speaks only as of the date of these documents. The information may be outdated and no longer accurate. Freddie Mac does not undertake and disclaims any obligation to update any of the information contained in these documents. Freddie Mac's future results, including financial results, are subject to various risks and uncertainties that may to actual results results material from expectations. The factors that may affect the Company's future results are discussed more fully in our reports filed with the SEC. Freddie Mac Home Possible® mortgage offers more options and credit flexibilities than ever before to help your very low- to moderate income borrowers achieve your dream of owning a home. In addition to the down payment requirement of as little as 3 percent, Home Possible now offers more options to increase home ownership responsibly for more of your borrowers. DO-IT-YOURSELFERS can use sweaty equity to help meet their down payment and closing costs, co-borrowers who don't live in the home can be included for a borrower's one-unit residence, borrowers can own an additional funded property, and more - all with competitive rates and the ease of a conventional mortgage. We help you provide affordable solutions to more creditworthy borrowers so you can improve your business and communities at the same time. Watch the video on the right and learn more below to find the possibilities with Home possible. Mortgage Features Loan to Value (LTV) Ratios: Low repayment with a maximum of 97% LTV, 105% TLTV, 97% HTLTV for 1-unit properties. Property options: 1-4 units, apartments and planned developments; manufactured housing is qualified with certain restrictions. Flexible sources of down payments: Down payment can come from a variety of sources, including family, employer assistance programs, secondary financing, and sweat equity. Mortgage insurance (video): Mortgage insurance (MI) can be cancelled after loan balance falls below 80 percent of the home's appraiser value, and MI coverage requirements are reduced for LTV ratios above 90 percent. Rates: Credit fees are capped and less than standard fees for all loans over 80 percent LTV. Mortgage Flexibility: 15- to 30-year fixed-rate mortgage; 5/1, 5/5, 7/1 and 10/1 ARMs; super matching mortgage. Refinancing options: No cash-out refinancing option is available to borrowers who occupy the property. Income flexibility: No income limits in low-income census channels, and otherwise limited to 100 percent Area Median Income (AMI). No geographical limits for loan amounts. Use the Home Income and Property Tool to see income limits for specific properties or submit to the Loan Product Advisor® to determine Home Possible Income Qualification. No credit score required: Eligible borrowers without credit scores are eligible for mortgages with prepayments as low as 3 percent. get more information. * Mortgage features are subject to additional requirements in our Single-Family Seller/Service Guide. Benefits for your business Expand the market opportunity: Accommodate borrowers in a wide range of life stages from millennials buying their first home, moving up borrowers and retirees considering downsizing. Expand your business by meeting a wider range customer's needs: Provide enhanced credit flexibility to meet the needs of individual borrower situations, give them the practical solutions to own a home. Overcome the repayment barrier: Use a low 3 percent down payment solution and borrow up to 105 percent TLTV with an affordable second® on a 1-unit property. Take advantage of security: Choose to qualify through Loan Product Advisor for greater security in the loans you sell to Freddie Mac. Benefits to borrowers Realize the milestone of home ownership: without the barrier to collecting a 20 percent down payment. Apply sweaty equity: for up to the full amount of prepayment and closing costs. Non-occupied co-borrowers can contribute: to borrower funds on one-unit properties. Cancel mortgage insurance: by reaching 20 percent equity, reducing the monthly mortgage payment and potentially saving thousands over the life of the loan. Enable empowered decisions: and lifelong responsible home ownership with the necessary financial literacy education, which can be fulfilled by Freddie Mac online, free CreditSmart® tutorials. Training.