

CORRESPONDENT NON-DELEGATED UNDERWRITING CONFORMING FREDDIE MAC GUIDELINES WITH OVERLAYS

FREDDIE MAC STANDARD CONFORMING AND SUPER CONFORMING LTV MATRIX					
OCCUPANCY	PURCHASE & LIMITED CASH OUT REFINANCE			CASH OUT REFINANCE	
	PROPERTY TYPE	MAX LTV/CLTV/HCLTV		PROPERTY TYPE	MAX LTV/CLTV/HCLTV
		PURCH	LIMITED C/O		
PRINCIPAL RESIDENCE	SFR/PUD/CONDO	95%	95%	SFR/PUD/CONDO	80%
	2 UNITS	85%	85%	2 UNITS	75%
	3-4 UNITS	80%	80%	3-4 UNITS	75%
SECOND HOME	SFR/PUD/CONDO	90%	90%	SFR/PUD/CONDO	75%
INVESTMENT PROPERTY	SFR/PUD/CONDO	85%	75%	SFR/PUD/CONDO	75%
	2-4 UNITS	75%	75%	2-4 UNITS	70%

FREDDIE MAC HOME POSSIBLE LTV MATRIX						
OCCUPANCY & PROPERTY TYPE	PURCHASE			NO CASH-OUT REFINANCE		
	PRODUCT	MAX LTV/CLTV/HCLTV		PRODUCT	MAX LTV/CLTV/HCLTV	
		SINGLE LIEN	WITH DPA 2 ND		SINGLE LIEN	WITH 2ND
PRINCIPAL RESIDENCE SFR/PUD/CONDO	CONFORMING	95.01 – 97%	97%/105%	CONFORMING	95.01 – 97%	97%/105%
	SUPER CONFORMING	95%	95%/105%	SUPER CONFORMING	95%	95%/105%
PRINCIPAL RESIDENCE 2—4 UNITS	CONFORMING	85%/95%/95%	N/A	CONFORMING	85%/95%/95%	N/A

* TLTV ratio up to 105% is permitted when secondary financing is a Freddie Mac [Affordable Second](#).

Freddie Mac Home Possible Product Page (<https://sf.freddiemac.com/resources/freddie-mac-home-possible-mortgage-fact-sheet>); overlays on subsequent pages apply.

PRODUCT OFFERINGS	
Fixed Rate Products	<ul style="list-style-type: none"> 10, 15, 20, 25, 30 year fixed Nonstandard terms available

2025 CONFORMING LOAN LIMITS 1-4 UNITS (CLICK HERE)			
UNITS	GENERAL LIMITS	HIGH COST LIMITS	ALASKA & HAWAII
1	\$806,500	\$1,209,750	\$1,209,750
2	\$1,032,650	\$1,548,975	\$1,548,975
3	\$1,248,150	\$1,872,225	\$1,872,225
4	\$1,551,250	\$2,326,875	\$2,326,875

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TOPIC	OVERLAY
BASIC GUIDELINES	Overlays in this matrix apply to FHLMC (Freddie Mac) loans. Refer to the FHLMC Single Family Seller/Servicer Guide for additional guidance. Information in this matrix is subject to change without notice.
Amended Tax Returns	Accepted for the following amendment reasons: <ul style="list-style-type: none"> • Amended for clerical items only (i.e. modifying a prior ITIN number to a newly issued SSN) • Amended for income-related items, under the following conditions: <ul style="list-style-type: none"> ○ Amended at least sixty (60) days before mortgage application taken ○ Amendment shows on transcripts (stamped returns not acceptable) ○ Documentation supplied to support the increase, including but not limited to: <ul style="list-style-type: none"> ▪ 1099 or W2 showing missed/updated income ▪ Canceled Checks or Bank Statements showing missed/updated rental income
Appraisal	<ul style="list-style-type: none"> • Eligible Appraisal Alternatives <ul style="list-style-type: none"> ○ ACE • Transferred appraisals allowed with restrictions as outlined in LSM Seller Guide Section 7.3.5.
Assets	<ul style="list-style-type: none"> • Internet statements, obtained from a financial institution's website, must contain the same information found on a standard bank statement • VOD as stand-alone document is not permitted unless obtained from a third-party vendor
Condominiums	<ul style="list-style-type: none"> • FHLMC Condo Project Advisor not allowed. • Leasehold not permitted. • Minimum square footage: 400 Sq Ft
Credit	All borrowers must have at least one (1) valid credit score to be eligible for an 'Accept' recommendation (LPA). Extenuating circumstances are not allowed for Bankruptcy or Foreclosure.
Custodial Account	An account in a minor's name where the borrower is named only as custodian of the funds is not eligible for use as closing costs, down payment, or reserves.
Electronic Signatures/eSigning	<ul style="list-style-type: none"> • eSigning is allowed for most documents. • eSigning is <u>not</u> allowed for: <ul style="list-style-type: none"> ○ Note ○ Note Rider(s) ○ Notice of Right to Cancel ○ Security Instrument ○ Security Instrument Rider(s)
Escrow Holdback	Not allowed.

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Family Owned Business	Two years tax returns are required regardless of AUS (LPA) recommendation.
Ineligible Programs - FHLMC	<ul style="list-style-type: none"> • A- Risk Grade • Enhanced Relief Refinance • Home Possible ARMs and Manual Underwrites • Home Possible Reduced Mortgage Insurance Option • Integrated Construction Conversion (Single-Closing) • Manufactured Homes • Native American Lands • PACE Obligations attached to property • Renovation Mortgages
Ineligible Properties	<ul style="list-style-type: none"> • Cooperative (Co-Op) • Native American leased land • Property flip of non-arm's length transaction • Resale type Deed Restrictions • Solar Panels that affect first lien position
Minimum Loan Amount	\$75,000
Mortgage Credit Certificate (MCC)	Not permitted
Mortgage Insurance (MI)	<ul style="list-style-type: none"> • Eligible: <ul style="list-style-type: none"> ○ Monthly Borrower Paid MI ○ Single Premium ○ Split Premium • Ineligible: <ul style="list-style-type: none"> ○ Financed MI ○ Reduced MI ○ Monthly Lender Paid MI
Multiple Loans to One Borrower	<ul style="list-style-type: none"> • Per FHLMC guidelines • Minimum 720 score for borrower(s) who own more than six (6) financed properties • Maximum number of financed properties owned cannot exceed ten (10) for all borrowers • Maximum of 20% ownership concentration in any one project or subdivision

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Non-Permanent Resident Aliens	<p>These borrowers accepted under the following conditions:</p> <ul style="list-style-type: none"> • Evidence of an unexpired visa under one of these eligible visa classes: <ul style="list-style-type: none"> ○ A Series (A-1, A-2, A-3) ○ E Series (E-1, E-2, E-3) <ul style="list-style-type: none"> ▪ NOTE: E-2 ineligible with Investor CNMI ○ G Series (G-1, G-2, G-3, G-4, G-5) ○ H-1, H-4 (when income used for H-4 borrower, current EAD also required) ○ L-1, L-2 (when income used for L-2 borrower, current EAD also required) ○ O-1A, O-1B, O-2 ○ TN (NAFTA visa) • Borrowers with an expired visa are eligible subject to the following: <ul style="list-style-type: none"> ○ The expired visa is one of the eligible classes listed above ○ Documentation verifying an application for extension or permanent status has been submitted to the USCIS • Borrowers with only a current Employment Authorization Document (EAD) are subject to the following: <ul style="list-style-type: none"> ○ EAD card must be current (unexpired) ○ If the EAD card is to expire within one year of Note date the underwriter should address the likelihood of income/employment continuance (i.e., previous EAD renewals, USCIS documentation, etc.) • All borrowers must have a valid Social Security Number (SSN) • DACA recipients with Category C33 work status under deferred action • Borrowers with diplomatic immunity are ineligible
Power of Attorney (POA)	A POA may not be eSigned and must be specific to the transaction.
Social Security Number (SSN)	All borrowers must have a valid SSN.
Tax Transcripts	<ul style="list-style-type: none"> • Transcripts are required for all tax returns used in the underwriting decision; this includes both personal and business returns, where applicable <ul style="list-style-type: none"> ○ Note: Transcripts will not be required for loans with W2 only income, 1099 only income, or other income not documented with tax returns, unless otherwise required by applicable program requirements. • If the most recent year's tax returns have been filed, but not processed by the IRS, the following alternative documentation is allowed: <ul style="list-style-type: none"> ○ Copy of eFiled tax returns with proof of payment for taxes owed or proof of deposit for refunds due to borrower ○ Letter from CPA who filed taxes stating the Adjusted Gross Income and copy of tax returns with proof of payment for taxes owed or proof of deposit for refunds due to borrower <p style="text-align: right;"><i>(Continued)</i></p>

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TOPIC	OVERLAY
Tax Transcripts (Continued)	<ul style="list-style-type: none"> ○ IRS stamped tax returns with proof of payment for taxes owed or proof of deposit for refunds due to borrower ○ Borrower's copy of transcripts pulled directly from the IRS website ○ Note: A copy of the "Where's My Refund" screen from IRS site can be provided in lieu of proof of deposit for tax refund.
Temporary Buydown	<ul style="list-style-type: none"> ● 30-Year Fixed Rate ● Borrower must qualify off Note Rate ● Buydown Options: <ul style="list-style-type: none"> ○ 2-1 ○ 1-0 ● Primary Residence and Second Home ● Purchase ● Seller, Lender, or Interested Party Paid (Borrower-paid not allowed)
Underwriting Method	Manual Underwriting not allowed. All loans must receive AUS approval (FHLMC LPA Accept/Eligible)
Unpaid Federal Tax Debt	<ul style="list-style-type: none"> ● All federal income taxes must be paid in full at or prior to closing unless the following requirements are met: <ul style="list-style-type: none"> ○ There is not currently or indication of future filing of a Notice of Federal Tax Lien against the borrower in the county or the subject property location ○ The lender provides the following supplemental documentation: <ul style="list-style-type: none"> ▪ Copy of the IRS approved installment agreement that details the required monthly payment and total amount due; and ▪ Evidence the borrower is current on the required payments and at least one month payment as agreed has occurred; acceptable evidence includes the most recent payment notification from the IRS reflecting the last payment amount and date as well as the next payment due date and amount
Verification of Employment	<ul style="list-style-type: none"> ● Ineligible Form of Verification <ul style="list-style-type: none"> ○ Paystubs