eLEND®

Freddie Mac Refi Possible℠

PROGRAM SPECIFICATIONS	
Description	Refi Possible℠ is an affordable refinancing option aimed at making it easier and less expensive for qualifying homeowners to reduce their monthly housing costs. Available to borrowers at or below 80% of the area median income (AMI) by using the Refi Possible℠ Income and Property Eligibility tool, with debt-to-income (DTI) ratios up to 65%, Refi Possible offers features that help to address some of the barriers to refinance and is a great option for creditworthy borrowers who may not have previously qualified.
Freddie Mac Loan Lookup	https://loanlookup.freddiemac.com/
Area Median Income Lookup Tool	https://sf.freddiemac.com/working-with-us/affordable-lending/refi-possible-eligibility-tool?utm_source=eloqua&utm_medium=email&utm_campaign=2021-08-24_AFFORDABLE_Announcement

Channels	• Broker
	• Correspondent
	  ○ Non-Delegated UW
	  ○ Delegated UW

FICO	• 620 minimum qualifying credit score for all qualifying borrowers.
	  ○ The borrower(s) must obtain at least two credit scores. When two credit scores are obtained, choose the lower score. When three credit scores are obtained, choose the middle score.
	  ○ When there are multiple borrowers select the lowest applicable score from the group.

UW Method	• Loan Product Advisor
AUS Recommendation	• Risk Class Accept
Eligible Terms	• 15, 20, 25, 30 Year Fixed Rate
Maximum DTI	• 65%
Eligible Transaction Types	• No Cash Out Refinance Note: Current loan being refinanced must be a conventional mortgage loan owned or securitized by Freddie Mac.
Eligible Property Types	Primary residences only: • 1 Unit (attached or detached) • Modular • Condos/PUDs • Single or Multi wide Manufactured Housing Note: Project review requirements will be waived for propertied located in a Condo or PUD project. Must be determined the project is not a condo hotel or motel, houseboat, timeshare, or segmented ownership project. Must also confirm appropriate property and flood insurance is obtained.
Maximum LTV/TLTV/HTLTV	• 97% • 95% for Manufactured homes • Mortgages with a non-occupying Borrower at maxed at 95% LTV Note: TLTV ratio may be up to 105% when secondary financing is an Affordable Second®
Existing Loan Eligibility	Existing loan must meet all the following: • Only an existing Freddie Mac loans may be refinanced to a new Freddie Mac mortgage • Seasoned at least 12 months but no more than 120 months (from the original Note date to the New note date) • 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) • Must not be a current A FHLMC Relief Refinance or Enhanced Relief Refinance Mortgage • One-time use of product (i.e., cannot refinance a Refi Possible mortgage into another Refi Possible)
Payment History Requirements	Loan being refinanced, the borrower cannot have had: • Any 30-day mortgage delinquencies in the most recent six-month period, and • No more than one 30-day delinquency in months 7-12.
Borrower Eligibility	• The borrower(s) income must be less than or equal to 80% of the applicable area median income (AMI) by using the Refi Possible Income and Property Eligibility tool for the subject property's location. ○ All borrowers who will sign the note, must be considered in whether the loan meets income eligibility • Borrower(s) on the loan being refinanced must be identical to the Borrower(s) on the new loan. New borrowers cannot be added or removed. One or more borrowers may only be removed if:

	○ 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 in the loan file). • In all cases, at least one Borrower from the Mortgage being refinanced must be retained. • **Non-occupant** borrowers are permitted with a maximum LTV, TLTV, and HTLTV ratio of 95%.
Borrower Benefit	The refinanced loan must provide the following benefits to the borrower: • A reduction in interest rate by at least .50%, and • A reduction in the monthly payment that includes principle, interest, and the mortgage insurance payment (if applicable) of at least $50.00.
Subordinate Financing	• New subordinate financing is only permitted if it replaces existing 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.
Mortgage Proceeds	New loan amount is limited to: • The financing of closing costs, prepaid items, and points up to $5000 total of the new loan; and • Cash back to the borrower up to $250. Excess proceeds may be applied as a curtailment on the new loan. **Note**: If combined with a TX (a)(4), cash back or principle curtailments are not permitted. The mortgage amount must be reduced. Funds to close: • 1-month account statement (only required if funds to close is greater than $500).
Property Valuation	• Automated Collateral Evaluation (ACE) (MH not eligible), or • New appraisal ○ A $500 credit if an appraisal is required
Mortgage Insurance	• Determined by LPA • Standard mortgage insurance • MI coverage is not restricted to the current mortgage insurer on the existing loan, when there is an MI in place on the existing loan, LPA will issue a message indicating the mortgage insurer that is currently providing MI coverage.
MI Companies	• Arch • National • MGIC • Genworth • Radian
Ineligible Features	New loan may not include any of the following features: • A mortgage with a temporary interest rate buydown • A super conforming mortgage • May not be a Texas Section 50(a)(6) • Amount of cash taken out of the subject property exceeds the limit of $250 • Mortgage being paid off with the transaction on the loan application cannot be matched to a credit repot account to determine if the payment history requirements have been met
Geographic Restrictions	• Hawaii ○ AFR does not operate in the state of Hawaii and does not permit loans with a subject property in Hawaii for all programs in all channels with the exception of Correspondent Delegated UW transactions. • AFR requires the use of AFR's Texas counsel on all Texas transactions with the exception of Correspondent Delegated loans. AFR utilizes this 3rd party for document preparation and require 48 hours for both title review and to generate a closing package.
Guidelines	https://guide.freddiemac.com/app/guide/browse https://sf.freddiemac.com/working-with-us/origination-underwriting/mortgage-products/refi-possible
Forms	See FORMS Section of the Resource Center

OVERLAYS

Follow all overlays outlined in the Freddie Mac Fully Amortizing Fixed and Super Conforming Program Matrix and:

- Following **are not** permitted:
  - Escrow Credits
  - Manual Underwrite