



# State of the Market and Expanding Access to Credit

  
We make home possible®

# Speaker Introduction

Nadja Vital

Affordable Lending  
Regional Manager

facilitates and delivers  
sustainable lending opportunities  
and access to credit to the low to  
moderate income buyers and  
families in the underserved  
market areas.

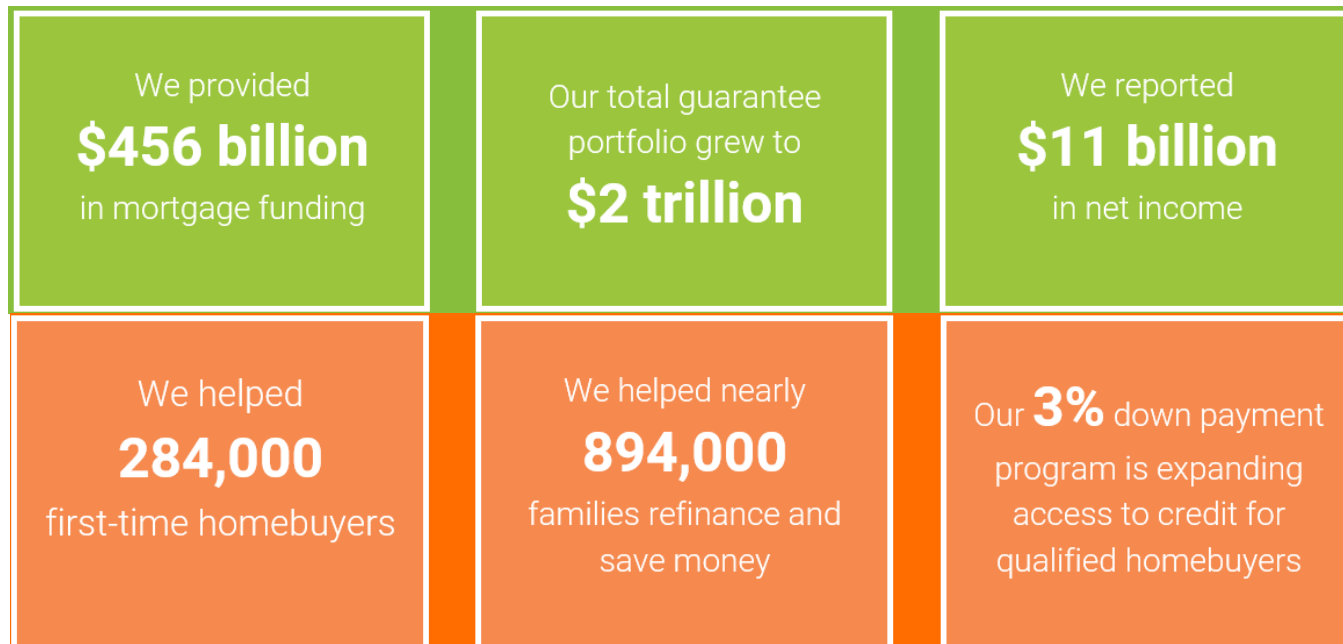


**Email:**  
**Nadja\_vital@freddiemac.com**

# Freddie Mac's Mission



**Freddie Mac makes homeownership and rental housing more accessible and affordable** by providing liquidity, stability, and affordability to the U.S. housing market in all economic conditions. Over the last year...



# Growing Responsible, Sustainable Affordable Lending –



Homebuyer Success

TOGETHER



**Loan Product Advisor<sup>®</sup>** – Our loan origination tool with new capabilities:

- **Automated collateral evaluation (ACE)** – Originate certain purchase-eligible loans without a traditional appraisal.
- **Asset and Income Modeler (AIM)** – Automate the assessment of borrower assets and income by leveraging data from third-party sources.
- **AIM for Self-Employed** – Automate the otherwise time-consuming, manual process of underwriting self-employed borrowers.

# The Freddie Edge<sup>SM</sup>



- **#AND** – Run your loans through the AUSs of both GSEs during the origination process.
  - *Check it out at: [linkedin.demandand.com](https://www.linkedin.com/company/demandand)*
- **Condo Project Advisor<sup>SM</sup>** – Request unit-level exceptions for existing condo projects.
- **Application Programming Interfaces (APIs)** – Get findings and data at the optimal point in the origination process.

- **Historic lows:**
  - Interest rates on the rise but mortgage rates still remain historically low
- **Strong economy:**
  - Economic growth accelerating and labor market at full employment with unemployment rate at multi-decade lows.
- **Home prices rising:**
  - Limited supply and robust demand keeping home price rising albeit at a slower rate
  - Nationally, home prices increased at a rate of 5.6 percent year over year in November 2018 down from 7.1 percent year over year in November 2017.
- **New purchase markets:**
  - Millennials and minority groups poised to buy

Source: Freddie Mac Housing and Economic Research, Office of the Chief Economist

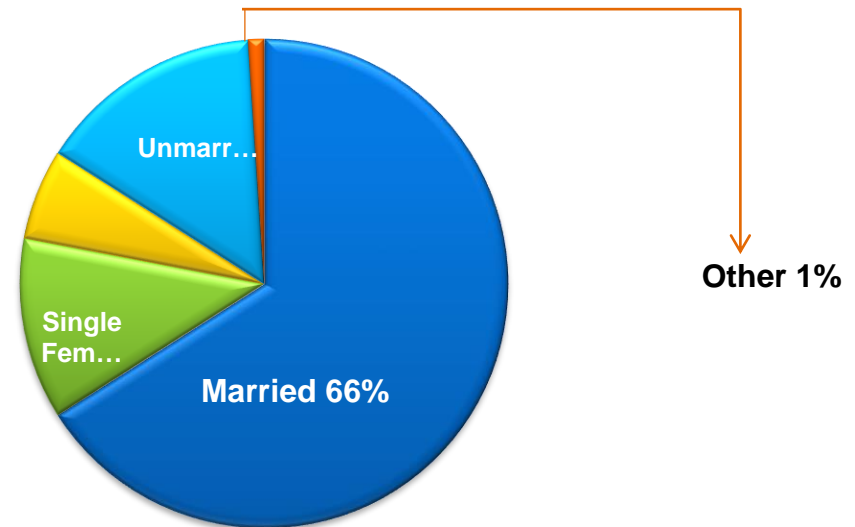
- **Household formations:**
  - » 1.6 million in 2018, up from 653,000 in 2013
- **Millennials living with parents: ~1/4**
- **Millennial households:**
  - » 20 million in 2018, rising to 25 million by 2038
- **Minorities share of household growth 2018-2028: 56%**
- **Households aged 65+:**
  - » ↑16 million from 2018-2038

Source: Joint Center for Housing Studies of Harvard University's "2018 State of the Nation's Housing" & Daniel McCue  
"JCHS Updated Household Growth Projections: 2018-2028 and 2028-2038"



## 2018 First-Time Homebuyer Demographics

- Share at 33% in 2018 – A decrease from 34% in 2017
- Median age – 31; Median income - \$88,800
- Down payment sources – 59% savings; 23% gifts from friends or relatives
- 37% used FHA loans, 10% used VA
- Typical FTHB home: 1,800 sq. ft., cost - \$220,000
- FTHBs plan to stay in homes for 10 years

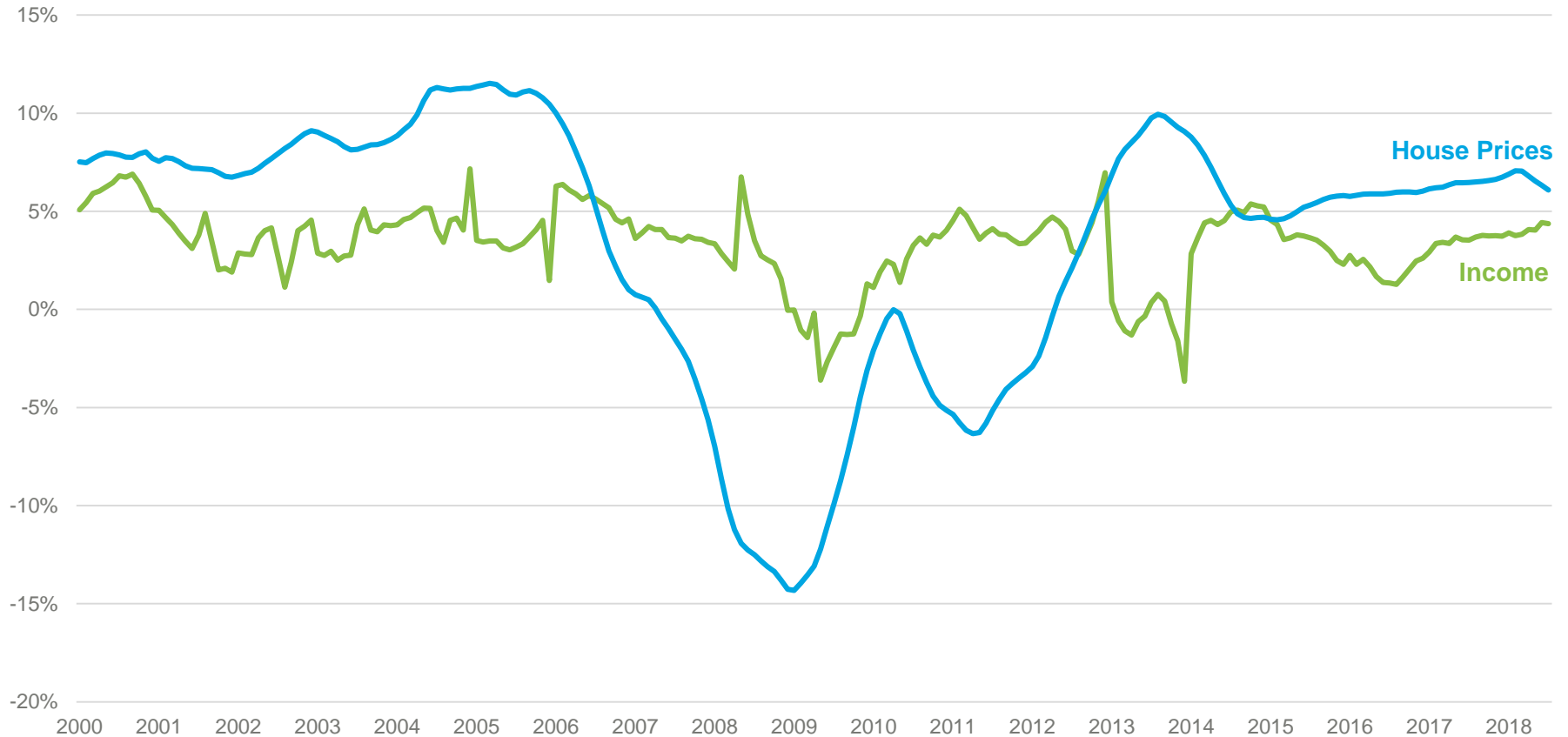


Source: National Association of Realtors 2018 Profile of Home Buyers and Sellers .  
(<https://www.nar.realtor/sites/default/files/documents/2018%20HBS%20Highlights.pdf>)  
<https://www.nar.realtor/sites/default/files/documents/2018-home-buyers-and-sellers-generational-trends-03-14-2018.pdf>

# Nationally, home prices are outpacing income

## U.S. House Price and Income Growth

12 month percent change



Sources: House price index is U.S. Freddie Mac House Price Index, Income is BEA per capita disposable income (SA)

## Strong foundation:

- Economy, employment and wages growing steadily
- Housing starts increasing <sup>1</sup>
- 1+ million homeowners regained positive equity in 2016 <sup>2</sup>
- Strong belief in homeownership



## Still, there are challenges:

- Lending myths abound
- Low inventory
- Rising home prices
- Rising interest rates

### Sources:

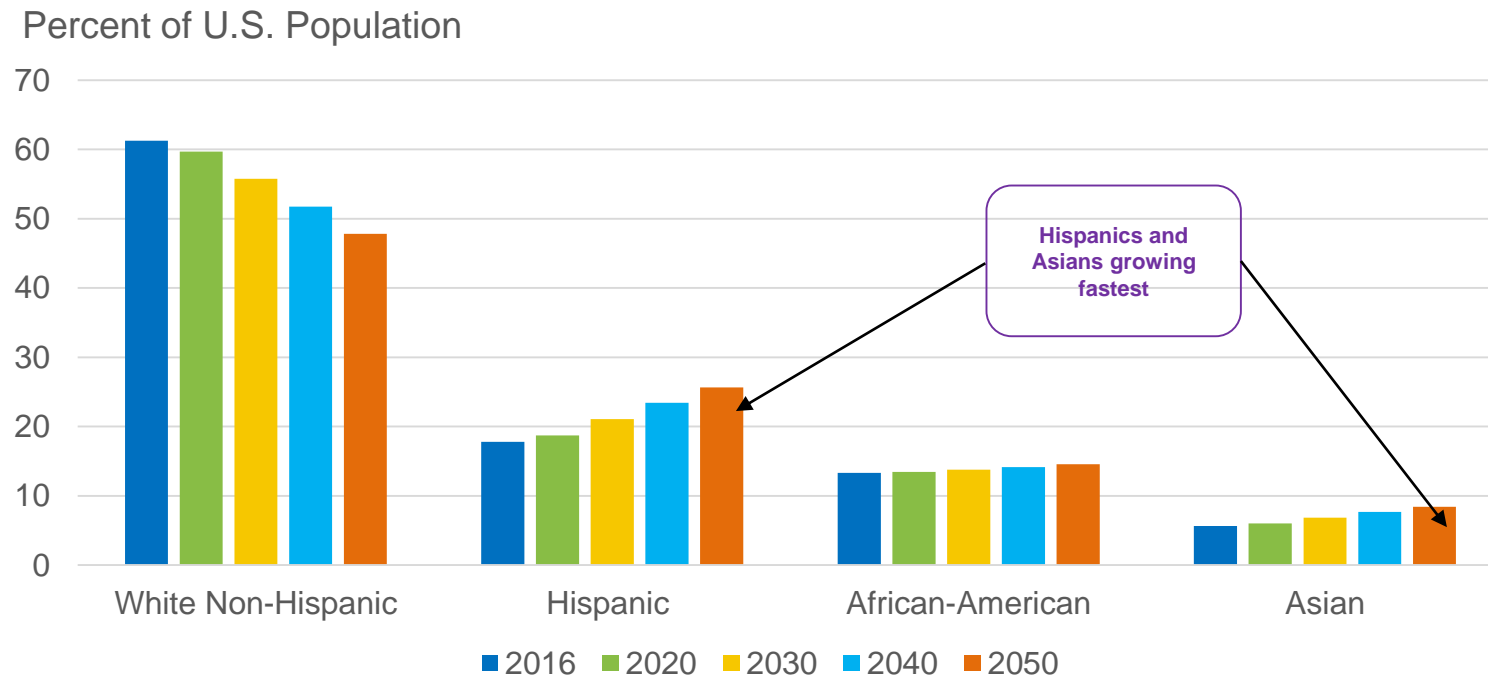
1 - U.S. Census – Monthly New Residential Construction, March 2018

2 - Joint Center for Housing Studies of Harvard University's "2017 State of the Nation's Housing"

# The Changing Face of the Borrower

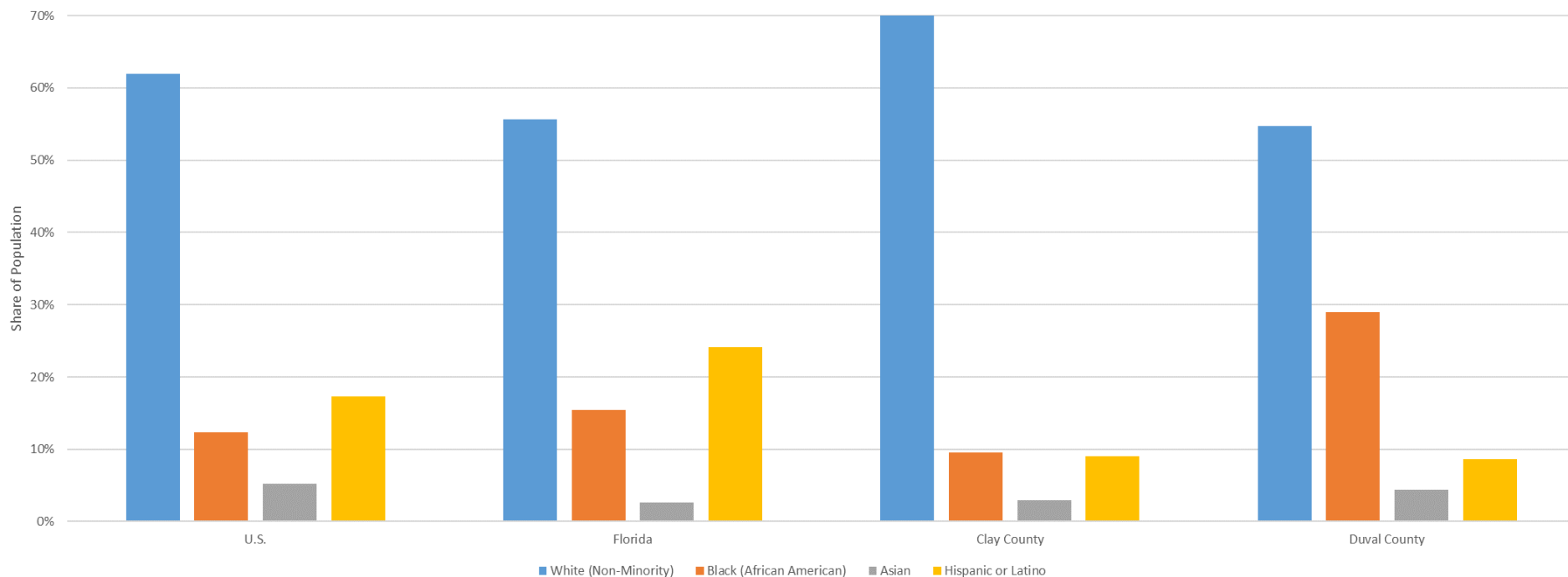


## The U.S. Will Become More Diverse



Source: U.S. Census Bureau

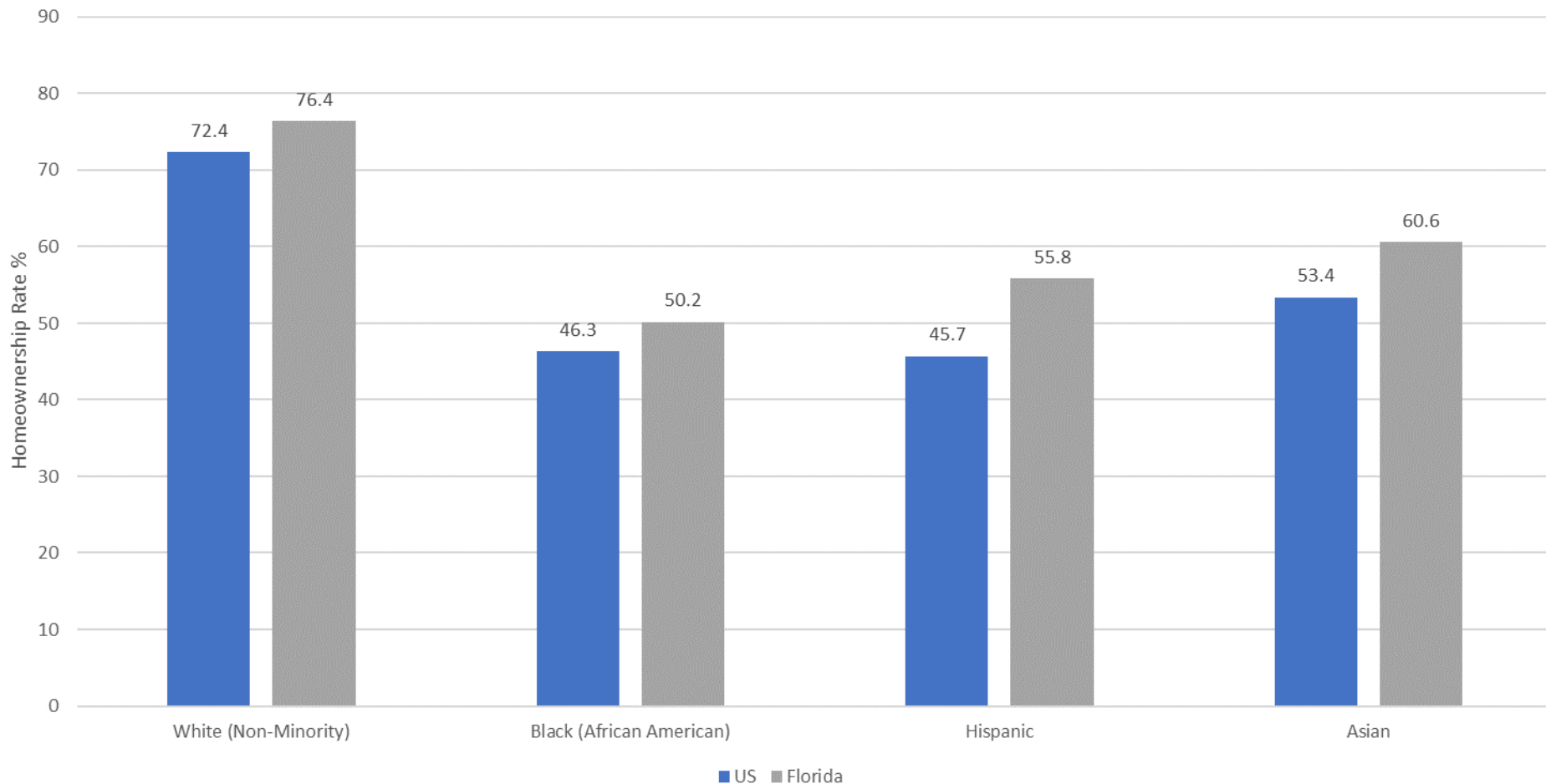
# Minority Share Comparison Chart and Table



Share of Population by Minority	Select Florida Counties	
	Clay County	Duval County
White (Non-Minority)	74.9%	54.7%
Black (African American)	9.6%	29.0%
Asian	2.9%	4.4%
Hispanic	9.0%	8.6%

Source: U.S. Census Bureau, 2012-2016 American Community Survey 5-Year Estimates

# Homeownership Rates by Minority



Source: U.S. Census Bureau, 2000.

## Hispanic American Homebuyers

Expected to lead U.S. household growth, adding 6 million

- Strong enthusiasm for homeownership
- Top barrier to homeownership in the current market is insufficient credit score or history
- More likely than non-Hispanics to have multi-generational households
- Tend to make small down payments (5% or less)
- Many lack accurate information about the home buying process and there may be an opportunity to dispel myths about required down payments and credit scores
- Account for more than one in five Millennials

Sources : *NAHREP 2017 State of Hispanic Homeownership Report*



## Asian American Homebuyers

Expected to account for 2.2 million of the nation's 13.6 million new households between 2015 and 2025

High educational levels (49% have a college degree as compared to 28% for all U.S. adults)

Greater annual household income and median household wealth vs. all U.S. adults

Younger buyers may solicit help from their elders; multiple generations in the house

Many buyers have all cash and those who finance tend to have larger down payments

Language is primary barrier to homeownership; roughly 90% speak a language other than English at home

Account for one in 20 Millennials

Sources:  
Joint Center for Housing Studies of Harvard University, *State of the Nation's Housing 2017*

## Seniors (Age 65+)

Population aged 65 and over is projected to soar to 73 million by 2030

Growing segment - Aging of the baby-boom generation and increased longevity are driving housing needs

Declining income - Income drops with age regardless of race or ethnicity

Aging in place is the preference of most Seniors

For those in retirement who would consider moving, the following are the most likely reasons for moving:

- Moving closer to children/grandchildren and other family members
- Moving to a warmer climate
- Moving to a retirement community

Sources: *The Freddie Mac 55+ Research Initiative*; 2016  
*Housing America's Older Adults, Meeting the Needs of an Aging Population*; Joint Center for Housing Studies of Harvard University; 2014  
*Report Explores Housing Challenges of Rural Seniors*; National Low Income Housing Coalition; December 22, 2014

## Millennials (36 years old and younger)

Comprise the largest share of recent homebuyers at 34%

As of 2016, 15% of adults aged 25-35 were living in their parents' home, which is five percentage points higher than in 2000

Over 85% consider their home purchase a good financial investment

Face numerous obstacles including underemployment, debt, and rising rents

Use the Internet to search for houses, but turn to a realtor to complete the purchase

98% who purchased a home in the past year financed it

**A recent report by the Joint Center for Housing Studies of Harvard University found that “In 2015, Millennials headed only 16 million of the nation’s 124.5 million households.**

**By 2035, however, they are projected to head 49.8 million households and thus reshape housing demand in profound ways.”**

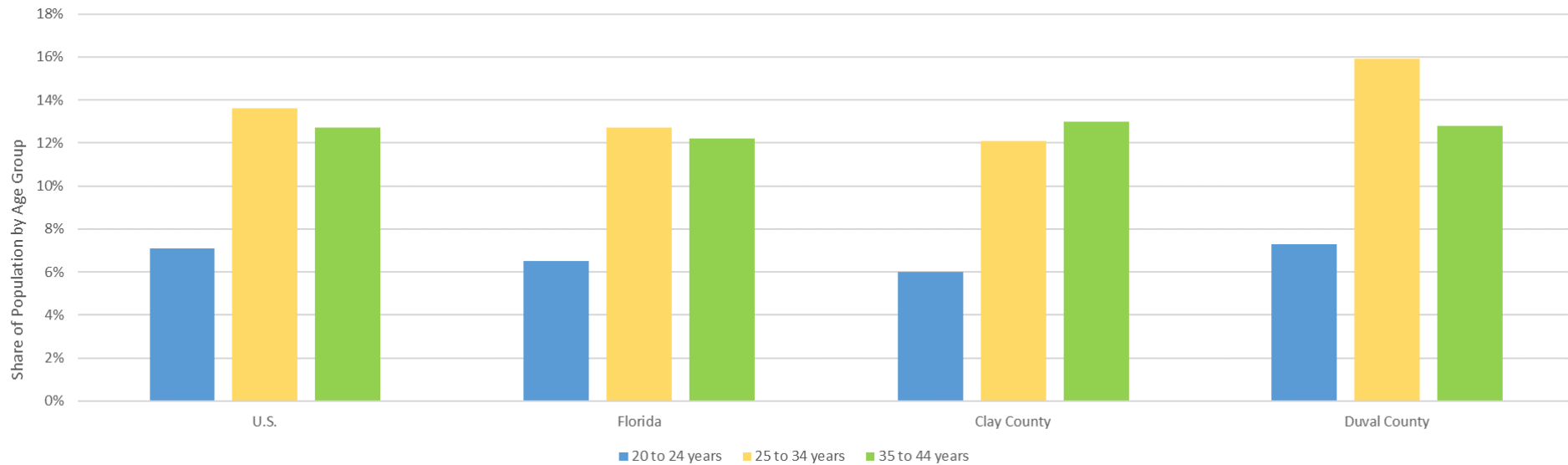
Source: National Association of Realtors, *2017 Home Buyer and Seller Generational Trends*  
Joint Center for Housing Studies of Harvard University, *State of the Nation's Housing 2017*  
Freddie Mac Office of the Chief Economist, *Freddie Mac January 2018 Outlook*

# Demographics of Individuals in the U.S.

	Age	Income (in thousands)	FICO Score	Total DTI	Population (in thousands)	Population (percentage)
<b>Overall</b>	48	64	719	9	282,383	100%
<b>Millennial (19-35)</b>	28	44	673	10	64,046	23%
<b>19-25</b>	23	34	670	6	20,224	7%
<b>26-35</b>	30	49	674	11	43,822	16%
<b>36-54</b>	45	66	697	14	73,549	26%
<b>55+</b>	66	82	779	6	76,208	27%
<b>Hispanic</b>	43	49	678	10	56,272	20%
<b>African American</b>	45	45	624	10	33,274	12%
<b>Asian</b>	40	69	743	6	6,601	2%

Note: Experian September 2016 anonymized individual credit bureau data combined with marketing data and is weighted appropriately. Median average values are used.

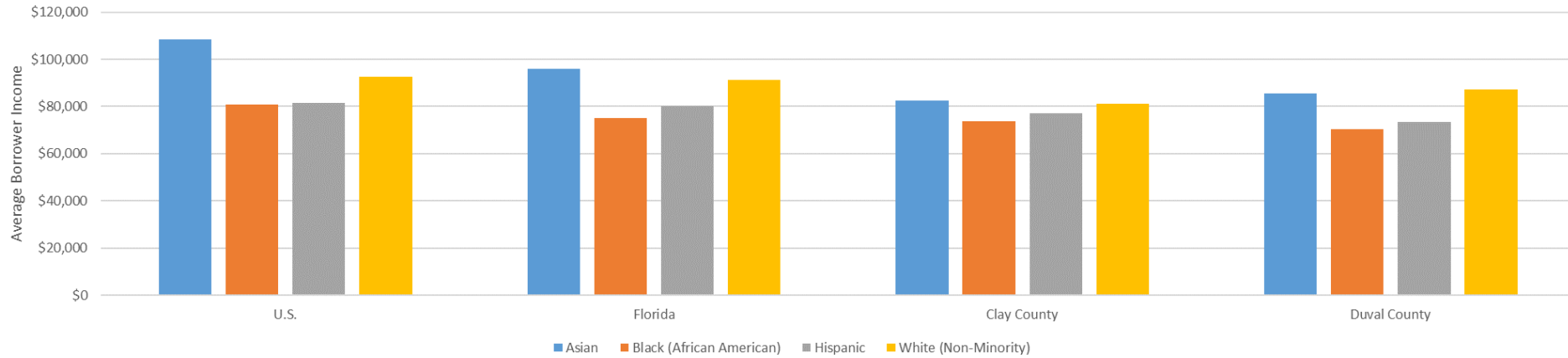
# Population and Age Comparison Table and Chart



Population and Age		United States	Florida	Select Florida Counties	
				Clay County	Duval County
Population Estimate		318,558K	19,934K	200K	901K
Share of Population by Age Group	20 to 24 years	7.1%	6.5%	6.0%	7.3%
	25 to 34 years	13.6%	12.7%	12.1%	15.9%
	35 to 44 years	12.7%	12.2%	13.0%	12.8%
	45 to 54 years	13.6%	13.8%	15.0%	13.6%
	55 to 59 years	6.7%	6.7%	6.6%	6.5%
	60 to 64 years	5.9%	6.2%	6.3%	5.9%
	65 to 74 years	8.3%	10.5%	8.9%	7.5%
	75 to 84 years	4.3%	6.0%	3.9%	3.5%
	85 years and over	1.9%	2.6%	1.4%	1.7%

Source: U.S. Census Bureau, 2012-2016 American Community Survey 5-Year Estimates

# Average Borrower Income Comparison Chart and Table by Minority



## Average borrower income by minority group

U.S.

Florida

Asian  
Black (African American)  
Hispanic  
Minority Overall  
White (Non-Minority)  
Overall

\$108K  
\$81K  
\$82K  
\$88K  
\$93K  
\$92K

\$96K  
\$75K  
\$80K  
\$81K  
\$91K  
\$87K

## Select Florida Counties

Clay County

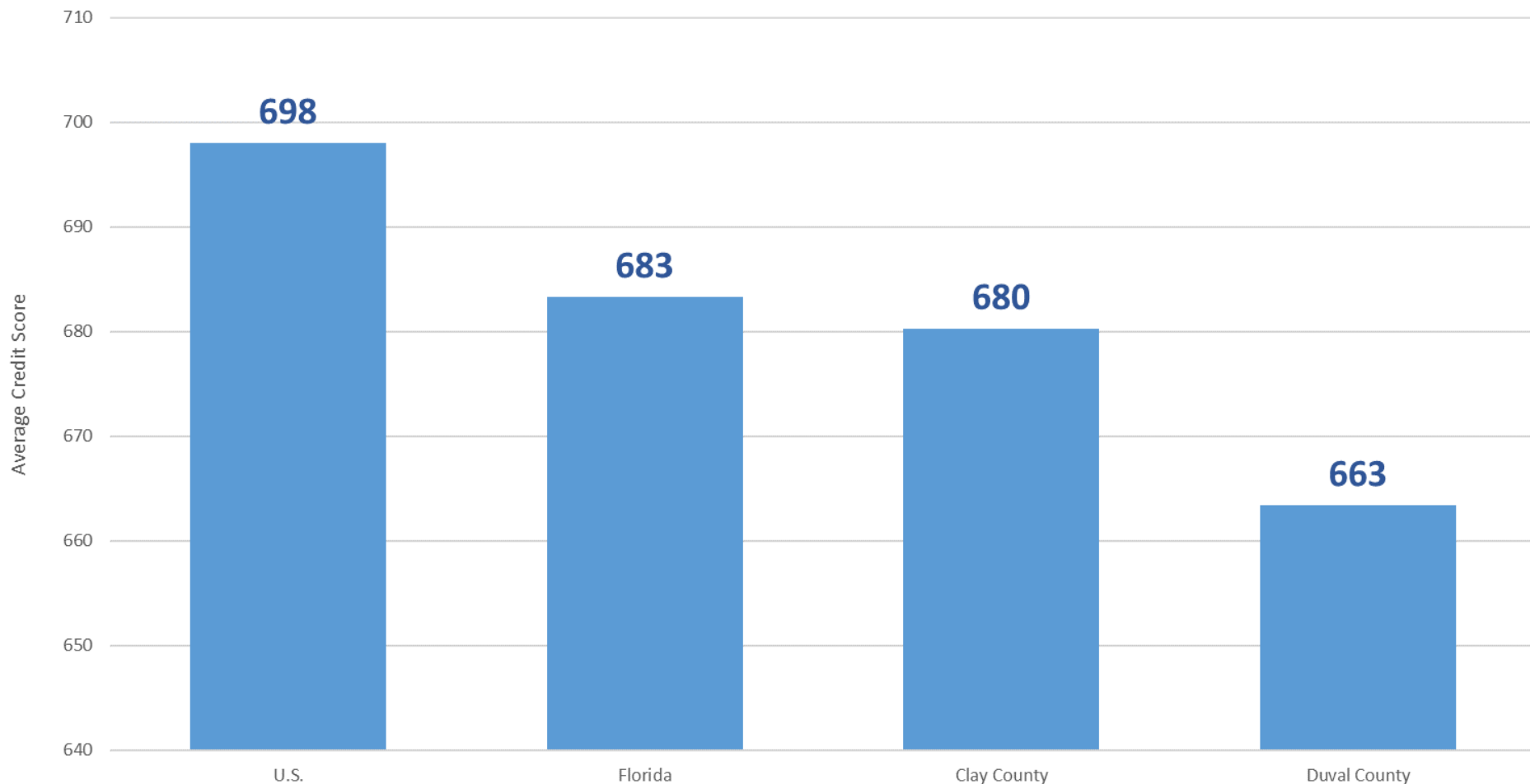
Duval County

\$82K  
\$74K  
\$77K  
\$76K  
\$81K  
\$80K

\$86K  
\$70K  
\$73K  
\$75K  
\$87K  
\$83K

Source: Data comes from 2017 HMDA originations and purchases for single family and manufactured housing properties, excluding redundant loans purchased by commercial banks, savings banks, savings associations, and affiliated institutions. Figures also exclude jumbo loans, home improvement loans, loans with a reported rate spread, HOEPA loans, second liens, and unsecured loans. Minority share is calculated using the five race variables and one ethnicity variable per applicant following the HMDA minority definition that excludes from eligibility all loans where the borrower is white but ethnicity is missing, non-Hispanics with missing race and where both race and ethnicity are missing.

# Average Credit Score Comparison Chart



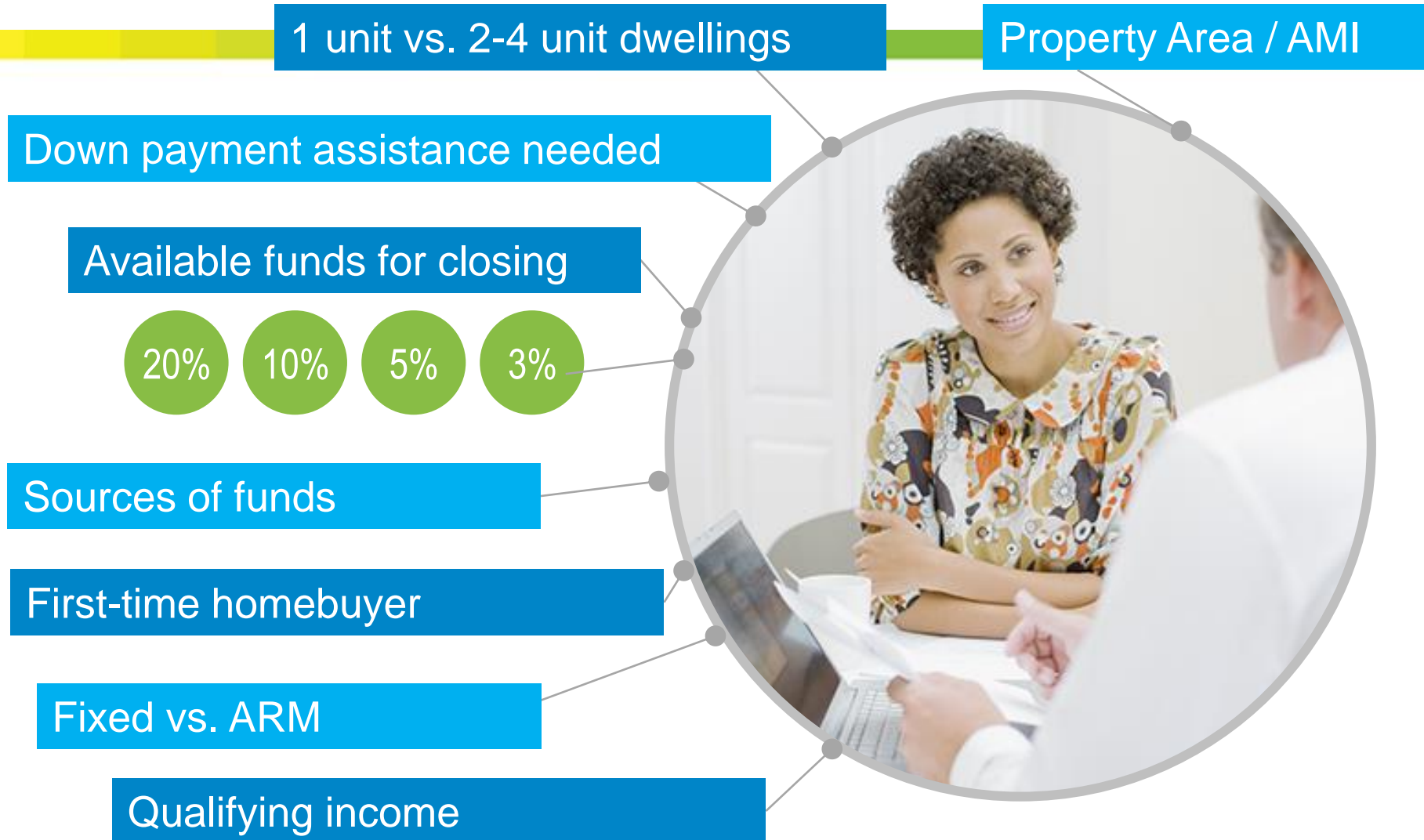
Source: Credit data as of September 2016.



# Identifying Borrower Needs



# Exploring Borrower Needs





# Overview of HomeOne<sup>SM</sup> Mortgage

# Introducing the HomeOne<sup>SM</sup> Mortgage

Freddie Mac is proud to announce the new HomeOne<sup>SM</sup> mortgage

This conventional mortgage, launched in July 2018, offers qualified first-time homebuyers



**3%**  
down payment  
option



**NO**  
geography or  
income limitations

Complimentary offering to round out our suite of Low Down Payment mortgages

- HomeOne<sup>SM</sup>
- Home Possible<sup>®</sup>
- Home Possible Advantage<sup>®</sup>
- HFA Advantage<sup>®</sup>

Provides a solution to capture the growing first-time homebuyer segment

Addresses a portion of borrower situations that may no longer be served by the Home Possible<sup>®</sup> / Home Possible Advantage<sup>®</sup> affordable product

# Overview of HomeOne<sup>SM</sup> Conventional Mortgage



	HomeOne <sup>SM</sup>
LTV ratio	97% LTV / 97% HTLTV / 105% HTLTV
Purchase Status	At least one borrower must be a first-time homebuyer (as defined in the Guide)
Refinance	No Cash-Out Refinance Mortgage being refinanced must be owned or securitized by Freddie Mac unless it has secondary financing that is an Affordable Second <sup>®</sup>
Units	1- Unit Only No Manufactured Homes
Primary Residence	All borrowers must occupy the mortgaged premises as their primary residence
Loan Type	Fixed Rate
Income Limits	No Limits
Homeownership Education	Required when all borrowers are first-time homebuyers
Underwriting Path	Loan Product Advisor <sup>SM</sup> Only



# Overview of Home Possible<sup>®</sup> Mortgages

**Designed to meet the needs of borrowers with very low to moderate incomes looking for options like LOW down payments and FLEXIBLE sources of funds.**

**Home Possible helps you grow your business with features that expand access to credit to more creditworthy borrowers.**

- Certainty and simplicity with Freddie Mac's Loan Advisor Suite®
- Guidelines that support sustainable homeownership for borrowers with very low to moderate incomes
- Product features designed to align with the changing demographics of today's borrowers

## Access to Credit with Sustainability:

- **Low down payment** – allowable LTVs to 97% and TLTVs to 105% with Affordable Second secondary financing
- **Flexible sources of funds** for down payment and closing costs
- **Cancellable** private mortgage insurance (PMI)
- **Not** limited to first-time homebuyers
- **Supports manufactured housing** up to 95% LTV
- No minimum borrower contribution from personal funds (1-unit only)
- Allows for **non-traditional credit**
- Improved sustainability with homebuyer education that helps borrowers prepare for the responsibilities of homeownership – at **no cost to the borrower**

\* See Freddie Mac *Single-Family Seller/Service Guide* for details.

# Overview of Home Possible® Mortgage

**New flexibilities  
available as of  
October 29,  
2018**

	Home Possible®	Home Possible Advantage®
LTV ratio	95% LTV/TLTV/HTLTV (Manufactured Homes refer to Seller/Service Guide)	97% LTV / 105% TLTV (Affordable Second® only)
Refinance	Purchase/No Cash-out Refinance	
Units	1- to 4-unit primary residence (Detached/Attached, PUDs, Condominiums)	1- unit primary residence (Detached/Attached, PUDs, Condominiums)
Primary residence	All Borrowers must occupy the Mortgaged Premises as their Primary Residence	
Loan type	Fixed Rate	
	5/5 or 5/1 ARMs if secured by 1- to 2-unit property, other than a Manufactured Home 7/1 or 10/1 ARMs if secured by a 1- to 2-unit property	—
Temporary subsidy buydown	(1-to 2-unit primary residence only)	(1-unit primary residence only)

 program similarities



# Sources of Funds

## Home Possible allows for flexible sources of funds

### Borrower Personal Funds

- Depository accounts
- **Cash on hand**
- Securities
- Retirement accounts
- Government bonds
- Loan secured by borrower's assets
- Sale of borrower's real property
- Sale of borrower's assets
- Borrower's real estate commission
- Funds from a trust
- Pooled funds
- Individual Development Account (IDA):  
*include matching funds only if not subject to recapture tax*
- Community Savings-Borrower contribution
- Cash value of life insurance policy
- Trade equity
- Rent Credits

Credit card charges, cash advances or unsecured line of credit to pay fees associated with the mortgage application process

Home Possible only: 2-4 unit properties with LTV  $>80\% \leq 95\%$ :  
3% of value from Borrower Personal Funds

# Sources of Funds

## Other Eligible Sources of Funds

- Gift funds or gift of equity: Related Person
- Gift funds: wedding gift
- Gift/Grant: Agency<sup>1</sup>
- Gift/Grant from Seller as originating lender
- Affordable Seconds
- Secondary Financing (Home Possible Only)
- Employer-Assisted Homeownership Benefit
- IDA: matching funds subject to recapture tax
- Unsecured loan: Agency/Related Person, or Community Savings Systems (For Community Savings funds in excess of Borrower's contribution)
- Sweat equity: eligible for up to the entire amount of down payment and closing costs

1 - 3% required **ONLY** when the Borrower is receiving a gift or grant from the lender or an Agency affiliated with the lender



## Cash on Hand is Unique to Home Possible

- Credit report shows no more than three tradelines
  - Copies of three months' statements for any open revolving account that reveal cash advances are not the source of Borrower Funds
  - Any cash advances must be explained and documented
- Updated credit report approximately one week prior to closing to show no new accounts or increase in current accounts
- Six months' cash receipts or other alternative documentation (refer to Guide Chapter 5202)
- Complete Monthly Budget and Residual Income Analysis (Exhibit 23), or another document containing the same information
- **Evidence that all funds used for the down payment, Closing Costs, and reserves are deposited in a financial institution or are held in an institutional escrow account prior to closing**



**The Mortgage file must have no indication that the Borrower typically uses checking, savings or similar accounts**

# Income and Property Eligibility

A borrower's eligible annual income:

100% AMI

Can be up to 100% of the Area Median Income (AMI)

## AMI Limit:

*The maximum allowed qualifying income based on the median income for the area in which the mortgaged premises is located.*

Low-Income  
Census Tract

OR

AMI requirements do NOT apply:

## Low-income Census Tract:

*Defined as a census tract where the income is at or below 80% of the AMI.*

**Borrower Income** - The Seller must use income used to qualify the borrower to establish that the income limits are not exceeded.

# New Home Possible Flexibilities

## Introducing One Simple Home Possible Mortgage

### What's Changing –

- **Allowing non-occupying borrowers on 1-unit properties**
  - LTV / TLTV / HTLTV ratio is  $\leq$  95% for Loan Product Advisor mortgages OR is  $\leq$  90% for Manually Underwritten mortgages
  - DTI ratio is  $\leq$  43% based on occupying Borrowers income for Manually Underwritten mortgages
  - A TLTV ratio of  $\leq$  105% is permitted for mortgages with Affordable Seconds
- **Permitting ownership of one additional property**
  - Without restriction
- **Adding Super Conforming mortgages**
  - Must be submitted through LPA and receive an Accept risk class
  - LTV / TLTV / HTLTV ratio  $\leq$  95%
  - TLTV ratio  $\leq$  105% is allowed for mortgages with Affordable Second



**New flexibilities  
available as of  
October 29,  
2018**

# New Home Possible Flexibilities *Continued*

## Introducing One Simple Home Possible Mortgage

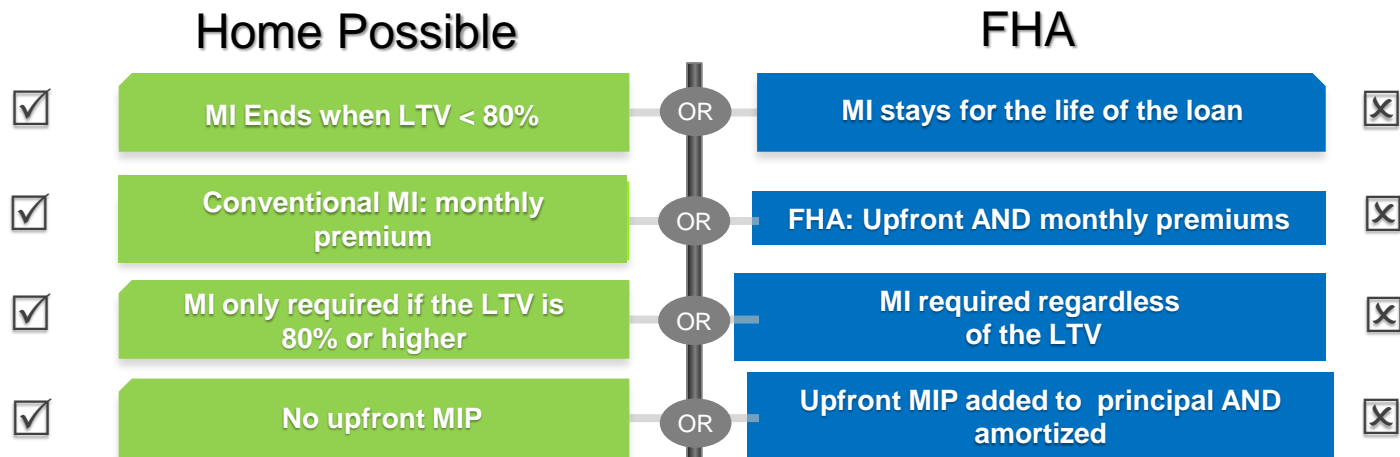
### What's Changing –

- **Secondary financing**
  - Permitting standard secondary financing for a mortgage with TLTV / HTLTV ratio of  $< \text{ or } = 97\%$
  - If TLTV ratio is  $>$  than 97%, the secondary financing must be an Affordable Second
- **Reducing rental income documentation**
  - Receipt of regular payments of rental income for at least 9 of the past 12 months required
- **Increasing DTI for manually underwritten mortgages**
  - Maximum debt payment to income ratio of 45%
- **5/5, 5/1, 7/1, 10/1 ARMS for 3- to 4-unit properties**
  - Permitted with LTV / TLTV / HTLTV ratios  $< \text{ or } =$  to 75%



**New flexibilities  
available as of  
October 29,  
2018**

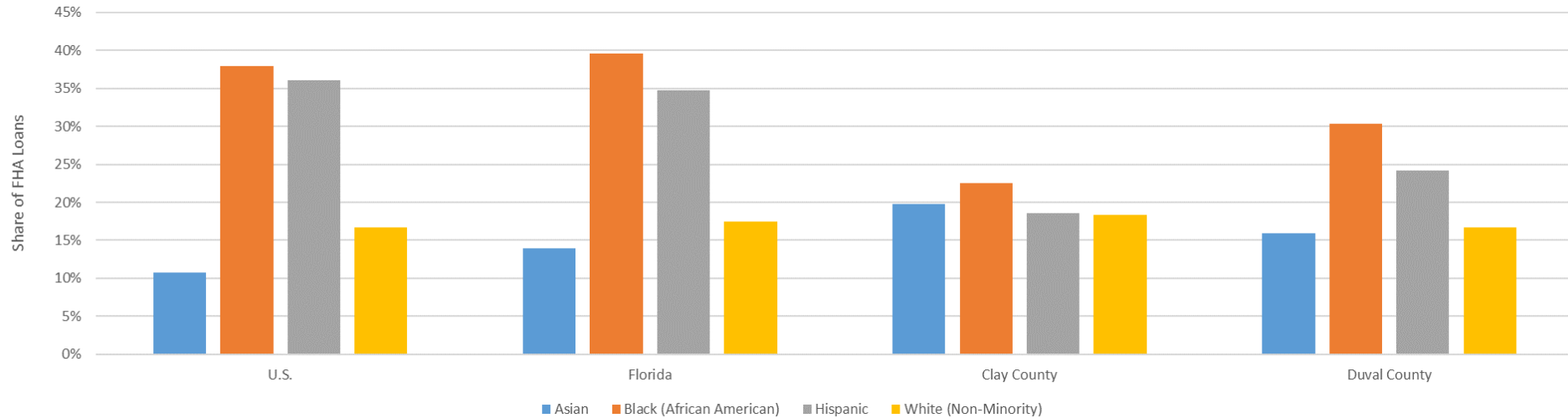
## Why Choose Home Possible over FHA?



**WHAT THIS MEANS:** With more funds applied toward the principal upfront, a Home Possible mortgage with PMI lets the borrower build equity faster.

**Mortgage Insurance (MI)**

# FHA Loan Share Comparison Chart and Table by Minority



Share of FHA loans by minority group	US		Florida		Select Florida Counties	
	Conforming Loan Count	U.S.	Conforming Loan Count	Florida	Clay County	Duval County
Asian	198,221	10.7%	7,391	13.9%	19.8%	15.9%
Black (African American)	205,797	38.0%	17,828	39.6%	22.5%	30.4%
Hispanic	339,691	36.1%	44,378	34.7%	18.6%	24.2%
Minority Overall	756,465	29.7%	69,219	33.5%	20.1%	25.6%
White (Non-Minority)	2,056,658	16.7%	129,813	17.5%	18.3%	16.7%
Overall	3,200,386	20.8%	226,971	23.5%	19.3%	20.5%

Source: Data comes from 2017 HMDA originations and purchases for single family and manufactured housing properties, excluding redundant loans purchased by commercial banks, savings banks, savings associations, and affiliated institutions. Figures also exclude jumbo loans, home improvement loans, loans with a reported rate spread, HOEPA loans, second liens, and unsecured loans. Minority share is calculated using the five race variables and one ethnicity variable per applicant following the HMDA minority definition that excludes from eligibility all loans where the borrower is white but ethnicity is missing, non-Hispanics with missing race and where both race and ethnicity are missing.



Have you used the Home Possible®  
Income & Property Eligibility Tool?



[FreddieMac.com/homepossible/eligibility.html](https://FreddieMac.com/homepossible/eligibility.html)

# Home Possible Income & Property Eligibility Tool



[Freddie Mac Home](#)[Single-Family](#)[Multifamily](#)[Capital Markets](#)

Search

Single-Family Business

**Single-Family**

Become a Freddie Mac Seller/Service

Originate and Underwrite

Sell and Deliver

Affordable Lending

Loan Advisor Suite

Uniform Mortgage Data Program (UMDP)

Mortgage Products

**Home Possible Income & Property Eligibility**

How to Read Your Results

Home Possible Income

## Home Possible Income & Property Eligibility

For best results, enter the complete property street address to see if a borrower can qualify for a Freddie Mac Home Possible® mortgage based on the property location and the borrower's income.

**Note:** Search by County or Zip will return results for the most centrally located address. These results may not be the same as the relevant property.

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Imagery with Labels

[FreddieMac.com/homepossible/eligibility.html](https://FreddieMac.com/homepossible/eligibility.html)

Economic and Housing Research

© Freddie Mac

# Home Possible Income & Property Eligibility Tool



## Home Possible Income & Property Eligibility

For best results, enter the complete property street address to see if a borrower can qualify for a Freddie Mac Home Possible® mortgage based on the property location and the borrowers' qualifying income.

Note: Search by County or Zip will return results for the most centrally located address. These results may not be the same as the relevant property.

2017 Home Possible Income Limits by Ce

1551 Park Run Dr, Mc Lean, VA, 22102, USA

See if this property qualifies for [Down Payment Assistance](#)

FIPS Code 51059480202

Home Possible Income Limit: \$110,300

100% Median Income: \$110,300

80% Area Median Income: \$88,240

50% Area Median Income: \$55,150

[Zoom to](#)

Allows you to check for available down payment assistance on the Down Payment Resource website

Provides Home Possible income limits based on property location

# Growing Your Business with Freddie Mac Resources





# For More Information on Home Possible



## Home Possible® Mortgage

### Updated Home Possible Offering

We've added credit flexibilities and simplified Home Possible® mortgage requirements by consolidating Home Possible and Home Possible Advantage® into a single offering. See more about the changes in *Single-Family Seller/Service Guide (Guide) Bulletin 2018-13 [PDF]*. Check out updated mortgage highlights on this page.

[Frequently Asked Questions](#)

### Home Possible Income & Property Eligibility Tool

Freddie Mac's map-based Home Possible Income & Property Eligibility tool makes it easy to determine if your borrower meets the income requirements for a Freddie Mac Home Possible mortgage.

### Maximum Financing and Flexibility - Three Percent Down Payment Solution with Expanded Options

The Freddie Mac Home Possible® mortgage offers more options and credit flexibilities than ever before to help your very low- to moderate-income borrowers attain the dream of owning a home.

In addition to its down payment requirement of as little as 3 percent, Home Possible now offers more options to responsibly increase homeownership for more of your borrowers. Do-it-yourselfers can apply sweat equity to assist in meeting their down payment and closing costs, co-borrowers who do not live in the home can be included for a borrower's one-unit residence, borrowers are permitted to own other properties, and more – all with competitive pricing and the ease of a conventional mortgage.

We're helping you provide affordable solutions to more creditworthy borrowers so you can enhance your business and your communities at the same time.

Watch the video to the right, and learn more below, to *Discover the Possibilities with Home Possible*.

[Watch all the videos on YouTube](#)



### Mortgage Features

- Loan to Value (LTV) Ratios:** Low down payment with a maximum of 97% LTV for 1-unit properties.
- Property Options:** 1-4 units, condos and planned-unit developments; manufactured homes eligible 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 12 months.

### Recognizing Those Who Make Home Possible



Home Possible RISE Awards™



Single-Family Business

Visit: [FreddieMac.com/homepossible](https://FreddieMac.com/homepossible)

Visit: [FreddieMac.com/learn](https://FreddieMac.com/learn)

## Single-Family

- Become a Freddie Mac Seller/Service
- Originate and Underwrite
- Sell and Deliver
- Affordable Lending
- Loan Advisor Suite
- Uniform Mortgage Data Program (UMDP)
- Mortgage Products
- Home Possible Income & Property Eligibility
- Servicing
- The Guide and Forms
- Single-Family News Center
- Subscription Center
- The Learning Center**
- Loan Advisor Suite

## The Learning Center

### Freddie Mac Learning



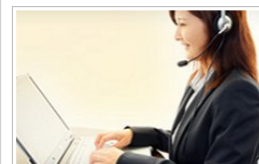
#### Comprehensive Training Library

- [How do I Sign Up?](#)
- [How do I Browse the Learning Catalog?](#)
- [How do I attend a Webinar?](#)

### Self-Paced Tutorials



### Webinars



#### Learn From Our Subject Matter Experts

### Job Aids



### Need Assistance?

[Freddie Mac Learning "How To" Tips](#)

Also refer to  
Guide Exhibit  
19 for  
postsettlement  
fees that may  
apply.

# Growing Your Business

**Use:** customizable [marketing templates](http://www.freddiemac.com/singlefamily/kits.html)  
at  
<http://www.freddiemac.com/singlefamily/kits.html>

## Maximize Your Marketing

### Single-Family

Become a Freddie Mac  
Seller/Servicer

Originate and Underwrite

Sell and Deliver

Affordable Lending

Loan Advisor Suite

Uniform Mortgage Data  
Program (UMDP)

Mortgage Products

Home Possible Income &  
Property Eligibility

Servicing

The Guide and Forms

Single-Family News  
Center

Subscription Center

The Learning Center

Housing Professionals

Credit Risk Offerings

### Marketing Kits

Cost-Effective, User-Friendly Marketing Materials You Can Customize

Expand your marketing efforts with high-quality, ready-to-use promotional materials we've created to promote mortgage products to your customers – giving you more ways to leverage cost-effective marketing opportunities. Simply download any of the artwork from our online kits, customize by inserting your logo, contact information, and any other information deemed valuable and print! With these pre-designed materials, you'll be ready to promote the solutions you offer to your borrowers and brokers with the messaging you need for impactful advertisements, branch flyers, and much more.

- [Instructions on How to Customize the Marketing Materials](#)
- [Terms of Use](#)
- [Print Specs](#)



### Marketing Materials for Mortgage Products

It continues to be important that borrowers have sufficient information on the terms of a mortgage product and that the associated features, benefits and risks of the selected mortgage product are clearly explained to the borrower.

Note: By downloading and using these templates you agree to the [terms of use](#).

### Available Kits

- [ARM Adjustment Solutions](#)
- [Home Possible Mortgages](#)
- [Renovation Mortgages](#)
- [Avoiding Foreclosure](#)
- [HFA Mortgage Assistance Programs](#)
- [Automated Underwriting](#)
- [Fraud Prevention](#)

Topic	Reach Out to Borrowers	
ARM Adjustment Solutions		"Get out of your ARM and gain financial stability" <a href="#">Flyer/Ad [DOC]</a>
Home Possible Mortgages		For borrowers who want to go from renting to homeownership. <a href="#">Flyer/Ad:</a>

# Housing Finance Agencies (HFAs) - An Opportunity for You



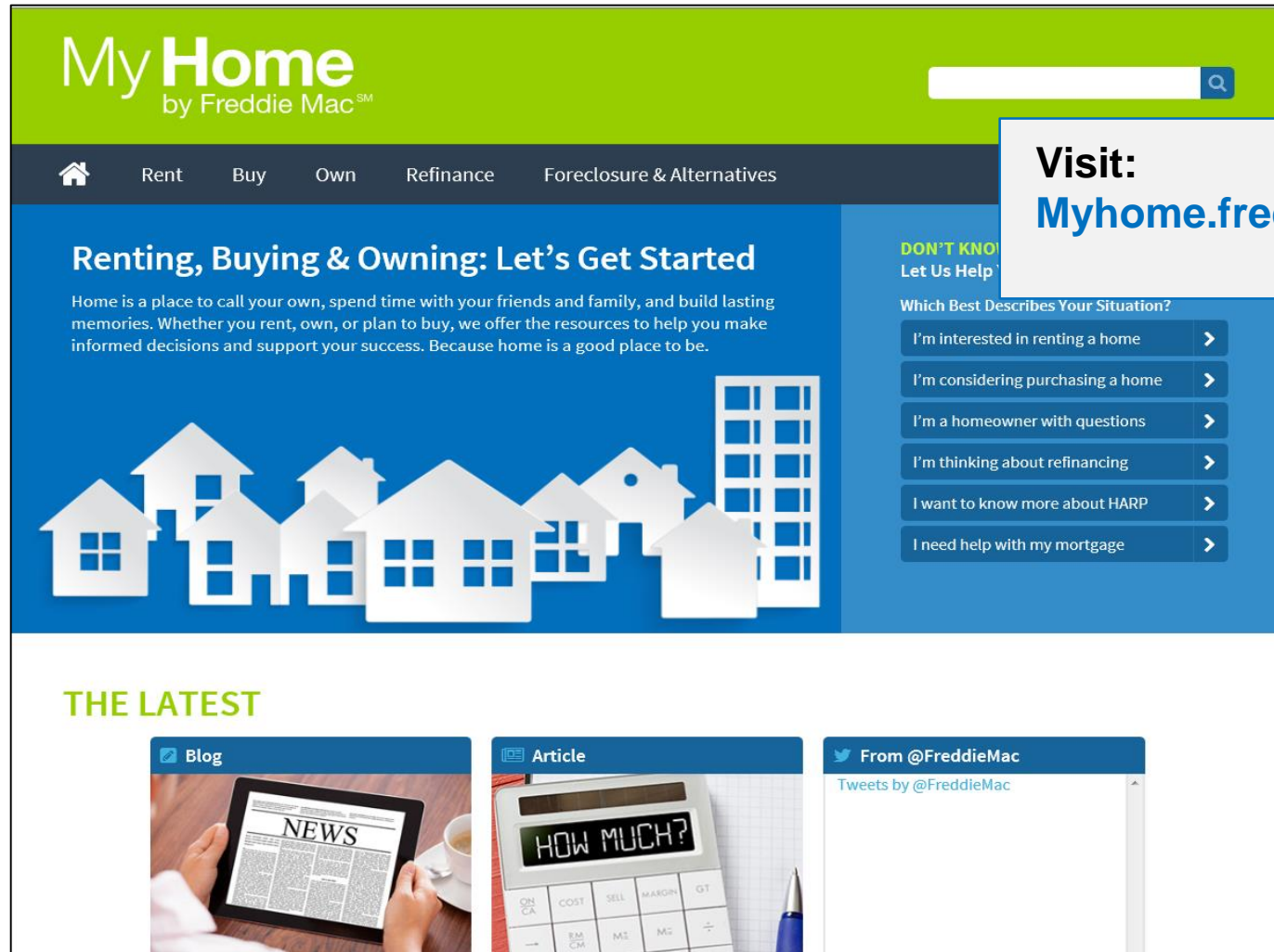
- **Ideal for borrowers with limited funds for down payment and closing costs, and those needing extra flexibilities on credit and income sources.**
- **Reach more potential homeowners through HFA programs that:**
  - Provide low down payment options
  - Offer preferential pricing
- **Majority of HFAs provide “true grant” funds or affordable secondary financing as part of their down payment assistance programs.**
- **An alternative to FHA financing**

**Freddie Mac provides HFAs with a source of liquidity and supports their service to low and moderate income borrowers.**

- **Launched HFA Advantage Mortgage, our enhanced product for housing finance agencies, which includes:**
  - 97% LTV and 105% TLTV (1-unit)
  - HFA income limits in lieu of Home Possible Area Median Income limits
  - HFA determines homebuyer education requirements
  - Credit enhancement options including Charter-level mortgage insurance coverage
- **Engage with master servicers who have relationships with smaller state and local HFAs**
- **Contact your state or local HFA for program details**



Website for consumers on renting, buying and owning a home



The screenshot shows the homepage of the My Home by Freddie Mac website. The header is green with the 'My Home by Freddie Mac' logo and a search bar. Below the header is a dark blue navigation bar with links: Home, Rent, Buy, Own, Refinance, and Foreclosure & Alternatives. The main content area has a blue background with the title 'Renting, Buying & Owning: Let's Get Started' and a paragraph about home ownership. Below the text is a graphic of white house silhouettes. To the right, there's a section titled 'DON'T KNOW? Let Us Help' with a list of options: 'I'm interested in renting a home', 'I'm considering purchasing a home', 'I'm a homeowner with questions', 'I'm thinking about refinancing', 'I want to know more about HARP', and 'I need help with my mortgage'. Each option has a right arrow. At the bottom, there's a 'THE LATEST' section with three items: a 'Blog' post with a tablet showing 'NEWS', an 'Article' with a calculator showing 'HOW MUCH?', and a tweet from @FreddieMac.

**My Home**  
by Freddie Mac<sup>SM</sup>

Home Rent Buy Own Refinance Foreclosure & Alternatives

## Renting, Buying & Owning: Let's Get Started

Home is a place to call your own, spend time with your friends and family, and build lasting memories. Whether you rent, own, or plan to buy, we offer the resources to help you make informed decisions and support your success. Because home is a good place to be.

**DON'T KNOW?**  
Let Us Help

Which Best Describes Your Situation?

- I'm interested in renting a home
- I'm considering purchasing a home
- I'm a homeowner with questions
- I'm thinking about refinancing
- I want to know more about HARP
- I need help with my mortgage

### THE LATEST

**Blog**

**Article**

**From @FreddieMac**  
Tweets by @FreddieMac

Visit:  
[Myhome.freddiemac.com](http://Myhome.freddiemac.com)

# Receive the Latest News and Updates

**Sign Up For News and Updates:**  
[freddiemac.com/singlefamily/news/subscribe.html](http://freddiemac.com/singlefamily/news/subscribe.html)

## Subscription Center

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Sell & Deliver

Servicing

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## Welcome to the Single-Family Business News Subscription Center

Get the latest emails on single-family news, updates, alerts, and new training and education opportunities on the categories that match what is most important for your job, your organization, and your business.

**Visit:**  
[freddiemac.com/singlefamily/news/](http://freddiemac.com/singlefamily/news/)

## Single-Family News Center

e

S A V E enter

Cutting costs and saving time should be automatic.

With Loan Advisor Suite®, it is.

### You Can Now Originate Certain Loans Without an Appraisal

Get to closing faster. Save money. Our automated collateral evaluation (ACE) can now be applied to both no cash-out refinance and purchase transactions.

[Learn More >>](#)



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&

### ■ [Update on Rental Income Changes and MI Master Policies](#)

*January 10, 2018* - The revised rental income requirements announced in Bulletin 2017-12 will now be effective for Freddie Mac mortgages with settlement dates on and after November 30, 2018. MI companies will issue new master policies this year reflecting the revised GSE rescission relief principles.



# Helping Borrowers Understand the Mortgage Process



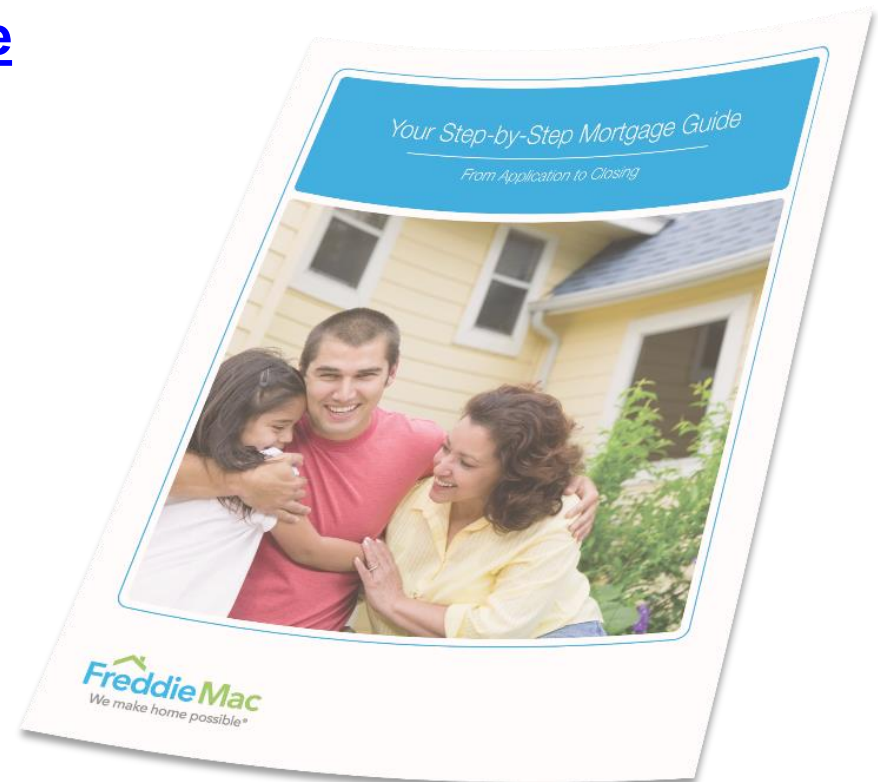
## Borrower Resources On My Home:

### Step-by-Step Mortgage Guide

Guide to help borrowers understand the mortgage process, from application to closing

**Visit:**

**[Myhome.freddiemac.com](http://Myhome.freddiemac.com)**



# Preparing the Borrower

CreditSmart®

Freddie Mac's **online** homeownership course that meets the Home Possible® Mortgages education requirement.

**It's free, convenient and an effective education tool.**



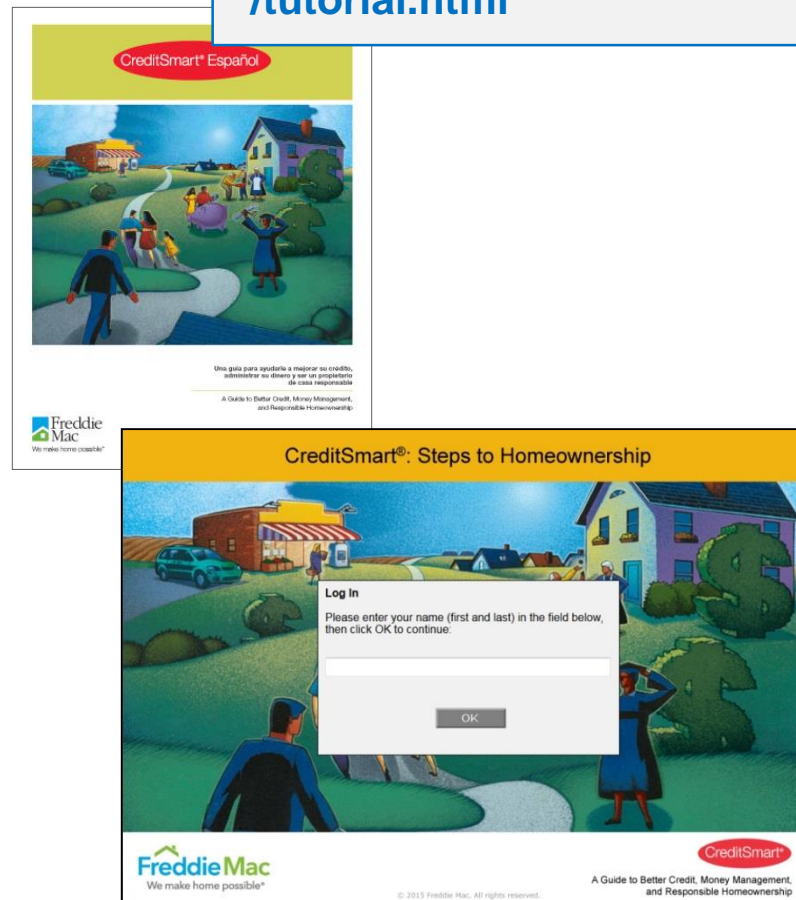
<http://www.freddiemac.com/creditsmart/>

## CreditSmart®

- **Freddie Mac's financial-literacy curriculum:**
  - No charge to the borrower
  - Available as instructor-led or online and in multiple languages
  - 12-module curriculum
  - 5-module Steps to Homeownership tutorial fulfills Home Possible education requirement
  - LOs can use CreditSmart® workshops to gain entry to realtor shops
  - May expand CRA opportunities through preparing future borrowers

**Visit:**

[Freddiemac.com/creditsmart/tutorial.html](http://Freddiemac.com/creditsmart/tutorial.html)



- **YOU** are the critical link to helping well-qualified homebuyers achieve their homeownership objectives:
  - **Provide access to credit**; originate loans to the full extent of Freddie Mac's credit box
  - Utilize your **mortgage finance expertise**
  - Explain the process and **dispel the 20% down payment myth**
  - **Identify and match available financial resources** in your area (government, nonprofit, private sources) with a sustainable mortgage solution
  - **Take advantage of Freddie Mac training and resources** for both you and your borrower
- **First-time homebuyer dream realized**—and more business for you—if you know your market and where to find those affordability gap solutions

**Freddie Mac is here to help!**



# Wrap Up

Freddie Mac Mortgages and Resources can be the solution to YOUR borrower opportunities!

**Arm yourself with understanding  
to drive incremental business.**

Who does it  
serve?

What are its  
key  
features?

How does it  
benefit  
borrowers?

How can  
you expand  
your  
borrower  
base?



# Appendix



- **Product Enhancements**
  - » 1 – Announcement of new HomeOne product and refinements to AMI Limits impacting Home Possible. Guide Bulletin Update 2018 – 7.
- **HomeOne<sup>SM</sup> Mortgage**
  - » 1 – Announcement of new HomeOne product. Guide Bulletin Update 2018-7.
- **Home Possible Income and Eligibility**
  - » 1 - Borrower Income - The Seller must use income used to qualify the Borrower to establish that the income limits are not exceeded. Guide Bulletin Update 2017-26.
  - » 2 – AMI Limit Updates – Borrower income will be capped at 100% AMI within High Cost Areas, Designated Disaster Areas and High Minority Census Tract Areas. Guide Bulletin Update 2018 – 7.
- **Home Possible LTV Ratios**
  - » 1 – Acronyms: LTV: Loan-to-value / TLTV: Total Loan-to-Value / HTLTV: Home Equity Total Loan-to-Value / Value as defined in the Guide
  - » 2- Secondary financing subordinated to a Home Possible<sup>®</sup> Mortgage must be an Affordable Seconds. The Affordable Second financing cannot be a Home Equity Line of Credit
- **Home Possible Mortgage Insurance**
  - » 1 - If custom mortgage insurance is chosen, in addition to all other applicable delivery fees, the custom mortgage insurance delivery fee in Exhibit 19 applies, including on Home Possible Mortgage
  - » 2 - Manufactured Homes are limited to a maximum LTV ratio of 95%
  - » 3 - Must obtain Freddie Mac's approval to sell Mortgages with annual or monthly premium lender-paid mortgage insurance to Freddie Mac
- **Home Possible Borrower Contributions**
  - » 1 - The source of funds is not funded through the Mortgage transaction, including differential pricing in rate, discount points, or fees for individual loans or across the Home Possible offering
- **Home Possible Source of Funds**
  - » 1 - (See slide 29) 3% required **ONLY** when the Borrower is receiving a gift or grant from the lender or an Agency affiliated with the lender
- **Home Possible Affordable Seconds**
  - » 1 - Home Possible secondary financing source must be an Affordable Second, and it may not be a home-equity line-of-credit