

FHLMC			
Conforming and Super Conforming			
Loan Purpose	Units	Max LTV/CLTV	FICO
Primary Residence			
Purchase or Rate/Term	1	Fixed 97 ^{2, 3, 4}	LPA Accept with Min. 620
	Manufactured	95	
	2-4 Units Conforming	95	
	2 Units Super Conforming	85	
	3-4 Units Super Conforming	80	
Cash-Out	1	80	
	Manufactured Term <20 years	65	
	2-4	75	
Second Homes			
Purchase or Rate/Term	1	90	LPA Accept with Min. 620
	Manufactured	85	
Cash-Out	1	75	
Investment Property			
Purchase or Rate/Term	1	85	LPA Accept with Min. 620
	2-4	75	
Cash-Out	1	75	
	2-4	70	

Reference:

1. Note: Loan pricing and MI pricing will be determined by the lowest mid score rather than the eligibility score.
2. Please refer to 95.01 -97% LTV requirement section for qualification.
3. 105% CLTV Ratio allowed only if the loan is part of a Community Second transaction.
4. Super conforming or transactions with non-occupant co-borrowers are limited to 95% LTV/CLTV.

2026 Maximum Loan Limits		
Property Type	Conforming Loan Limits	Super Conforming Loan Limits
1 Unit	\$832,750	\$1,249,125
2 Unit	\$1,066,250	\$1,599,375
3 Unit	\$1,288,800	\$1,933,200
4 Unit	\$1,601,750	\$2,402,625

2026 Maximum Loan Limits Alaska & Hawaii	
Property Type	Conforming Loan Limits
1 Unit	\$1,299,500
2 Unit	\$1,633,600
3 Unit	\$2,010,950
4 Unit	\$2,499,100

Mortgage Insurance		
LTV	25, 30 YR, MFH, ARMs	10, 15, 20 yr
80.01-85	12	6
85.01-90	25	12
90.01-95	30	25
95.01-97	35	35

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FHLMC (Freddie Mac) Requirements

Quick Reference

Temporary Interest Rate Buydown	Allowed subject to the following:
	• 2/1 buydown allowed. Max total interest rate reduction of 2%, max increase per year of 1%
	• Maximum 3 years to reach standard note rate
	• Minimum 660 FICO
	• Owner Occupied and Second Home only
	• Purchase and Rate/Term Refinance only
	• Fixed rate and ARMs
	• Manufactured Homes are ineligible
	• Must qualify at the standard note rate without benefit of the buydown
	• When the source of the buydown funds is an interested party to the property sale or purchase transaction, FNMA's interested-party contribution limits apply.
	• Must meet all other applicable FNMA requirements, including but not limited to qualification, documentation of buydown, and funding of buydown.

95.01% to 97% LTV Requirements

95.01-97% LTV	Must meet the following:
	• Must be Fixed Rate up to 30 years
	• 1 unit Primary Residence only. Manufactured not allowed.
	• Non-occupant not allowed. All borrowers must occupy.
	• Purchase
	• at least one borrower must be a first-time home buyer, as indicated on 1003 declarations reflecting "No" to ownership interest in a property in the last three years
	• if all borrowers are first-time homebuyers, homeownership education is required.
	• All borrowers must occupy.
	• Limited Cash-Out
	Must document that the existing loan being refinanced is owned by FHLMC.

Loan Purpose

All Refinance	When an existing Mortgage will be satisfied as a result of a refinance transaction, one of the following requirements must be met:
	• At least one Borrower on the refinance Mortgage was a Borrower on the Mortgage being refinanced; or
	• At least one Borrower on the refinance Mortgage held title to and resided in the Mortgaged Premises as a Primary Residence for the most recent 12-month period and the Mortgage file contains documentation evidencing that the Borrower has been making timely Mortgage payments, including the payments for any secondary financing, for the most recent 12-month period; or
	• At least one Borrower on the refinance Mortgage inherited or was legally awarded the Mortgaged Premises (for example, in the case of divorce, separation or dissolution of a domestic partnership)
Loan Purpose: Rate & Term Refinance	• Rate & Term Refinance
	• RT to buy out owner's interest: Written agreement must be legible and signed/dated prior to or at application. All other FHLMC requirements must be met

Loan Purpose (Continued)		
Loan Purpose: Rate & Term Refinance		• 31 days seasoning required from prior Note date to new loan application date.
		• Proceeds can be used to pay off Non-delinquent real estate taxes
		• Proceeds can be used to pay off a first mortgage lien (including deferred balance under loss mitigation plan)
		• Proceeds can be used to pay off any junior liens related to the purchase of the subject property
		• Pay related closing costs and prepaid items
		• Disburse cash out to the Borrower up to the greater of 1% of the new Mortgage or \$2,000.
Loan Purpose: Cash-Out		• At least one borrower must have been on title for at least for 6 months prior to the disbursement date of the new loan.
		• Properties in leasehold estate, at least one Borrower must have been lessee on the ground lease or lease agreement of the subject leasehold estate for at least 6 months
		• For cases in which title to the property is held by a limited liability company (LLC) or limited partnership (LP), the time the property was titled in the name of the LLC or LP may be included in the six-month requirement provided:
		• At least one Borrower must have been the majority owner or had control of the LLC or LP since the date the property was acquired by the LLC or LP, and
		• Title must be transferred from the LLC or LP into the Borrower's name on or before the Note Date
		• If an existing first mortgage is being paid off through the transaction, it must be at least 12 months old at the time of refinance, as measured by the note date of the existing loan to the note date of the new loan. This requirement does not apply:
		• to any existing subordinate liens being paid off through the transaction, or
		• when buying out a co-owner pursuant to a legal agreement.
		• Must meet all other Agency guidelines
		• Properties that were listed for sale must have been taken off the market on or before the disbursement date of the new mortgage loan.
		• Proceeds can be used to pay off delinquent taxes

Credit Requirements		
Age of Documents		• For new and existing construction, credit documents must be no more than 4 months old on the date the note is signed, including credit reports and employment, income and asset documents
		• 90 days Title
		All items are measured from Note Date
Borrower Eligibility		Eligible Borrowers: Must have legal residency and valid Social Security Number
		• US Citizens, Permanent Residents and Non Permanent Resident Aliens
		• Inter-Vivos Revocable Trusts
		Ineligible Borrowers:
		• Foreign Nationals
		• Limited and General Partnerships
		• Irrevocable Trusts
		• ITIN borrowers
		• DACA recipients are not eligible.
Credit Refresh / Soft Pull		Required within 10 calendar days of Note date. Any additional inquiries found on soft pull must be addressed by borrower.
Contingent Liabilities		Debts Paid by Others
		• Non-Mortgage Debt - 12months canceled checks or bank statements from the other party making the payments that document a 12 month payment history with no delinquency. The party does not have to be obligated to the non-mortgage debt. The party cannot be an interested party in the loan.

Credit Requirements (Continued)		
Contingent Liabilities		Mortgage debt - may be excluded if the party making the payments is obligated on the mortgage debt, No delinquencies in the most recent 12 months and the borrower is not using rental income from the applicable property to qualify. The party cannot be an interested party in the loan.
Debt Paid By Borrower's Business		The account payment does not need to be considered as part of the borrower's DTI ratio if:
		The account in question does not have a history of delinquency,
		The business provides acceptable evidence that the obligation was paid out of company funds (such as 12 months of canceled company checks), and
		Tax returns show that cash flow analysis of the business took payment of the obligation into consideration.
Derogatory Credit		Per LPA
DTI		Per LPA
Federal Income Tax Installment Agreements		The debt may include the monthly payment amount in liabilities (in lieu of requiring payment in full) if:
		There is no indication that a Notice of Federal Tax Lien has been filed against the borrower in the county in which the subject property is located.
		The lender obtains the following documentation:
		an approved IRS installment agreement with the terms of repayment, including the monthly payment amount and total amount due; and
		evidence the borrower is current on the payments associated with the tax installment plan. Acceptable evidence includes the most recent payment reminder from the IRS, reflecting the last payment amount and date and the next payment amount owed and due date. At least one payment must have been made prior to closing.
Homebuyer Education		To meet the homeownership education requirements, borrowers must complete an online education program that is aligned with the National Industry Standards(NIS) for Homeownership Education and Counseling or with HUD Housing Counseling program, or provided by a HUD-approved Counseling agency.
		FHLMC CreditSmart Homebuyer curriculum is free and continues to be an acceptable option.
Student Loan Calculation		A payment greater than 0 must be included in DTI.
		If the credit report does not provide a monthly payment for the student loan, or if the credit report shows \$0 as the monthly payment, determine the qualifying monthly payment using one of the options below.
		A) For student loans in deferment, forbearance or repayment, including income-driven repayment plans:
		If the monthly payment amount reported on the credit report is greater than zero, the monthly payment amount reported on the credit report must be used, unless other documentation in the file supports a different current payment amount greater than zero, or
		If the monthly payment amount reported on the credit report is zero, Use 0.5% of the outstanding loan balance, as reported on the credit report, unless other documentation in the Mortgage file supports a different current payment amount greater than zero
		B) Student loan forgiveness, cancelation, discharge and employment-contingent repayment programs
		The student loan payment may be excluded from the monthly debt payment-to-income ratio provided the file contains documentation that indicates the following:
		The student loan has 10 or fewer monthly payments remaining until the full balance of the student loan is forgiven, canceled, discharged or in the case of an employmentcontingent repayment program, paid, or
		The monthly payment on a student loan is deferred or is in forbearance and the full balance of the student loan will be forgiven, canceled, discharged or in the case of an employment-contingent repayment program, paid, at the end of the deferment or forbearance period
		AND
		The Borrower is eligible or approved for the student loan forgiveness, cancelation, discharge or employment-contingent repayment program, and there is no awareness of any circumstances that will make the Borrower ineligible in the future. Evidence of eligibility or approval must come from the student loan program or the employer, as applicable
Open-End or 30 day Accounts		Full amount must be included in DTI, OR
		If the borrower paid off the account balance prior to closing, provide proof of payoff in lieu of verifying funds to cover the account balance.
		Document borrower has sufficient in addition to any funds required for closing costs and reserves to exclude from DTI.

Credit Requirements (Continued)		
Non-Occupant CoBorrower	Max LTV may not exceed 95%. Non-occupant borrower cannot be an interested party to the transaction.	

Income / Assets		
Amended Tax Returns Overlay	•	Amended tax return must be filed before loan application date. An income increase of 20% or more from the original return will not be allowed or subject to management approval.
Assets		Per AUS
Large Deposits		For all transactions, when an unverified deposit is used to pay off or pay down an existing debt in order to qualify for the Mortgage, the source of funds must be documented. Purchase: A "large deposit" is any single deposit exceeding 50% of the sum of:
	•	The total monthly qualifying income for the Mortgage, and
	•	Any deposit used to pay off or pay down debt in DTI
Reserves	•	Per LPA
	•	When subject is a 2nd home or investment, additional reserves are required in addition to LPA feedback per below:
		When each Borrower individually, and all Borrowers collectively, are obligated on 1 - 6 financed properties, including the subject property and the Borrower's
	•	Primary Residence, 2 months of the monthly payment amount (as described in Section 5501.2(a)) on each additional second home and/or 1- to 4-unit Investment Property that is financed and on which the Borrower is obligated
		When each Borrower individually, and all Borrowers collectively, are obligated on 7 - 10 10 financed properties, including the subject property and the Borrower's
	•	Primary Residence, 8 months of the monthly payment amount (as described in Section 5501.2(a)) on each additional second home and/or 1- to 4-unit Investment Property that is financed and on which the Borrower is obligated
Rental Income for 2-4 unit or 1 unit Investment		Subject Purchase:
	•	A lease, if available, must be used to determine the net rental income. All efforts must be made to determine lease availability, including review of the appraisal, comparable rent data, purchase contract, a discussion with the Borrower and/or any other applicable and reasonable method. OR
	•	If a lease is not available, Forms 72 or 1000, as applicable, may be used to determine the net rental income
	•	Borrower must have documented at least 1 yr rental management experience to use full rental amount.
	•	Borrower must currently own a Primary Residence to use rental income to qualify when purchasing a new rental property in same calendar year.
	•	If borrower's current residence will be a departure residence, net rental income can only offset the full monthly payment.
		Subject property refinance transaction or non-subject property: Purchased in the current calendar year or Placed in service as a rental property in the current calendar year
	•	Lease must be used to determine the net rental income; and
	•	Form 72 or 1000 supporting the income reflected on the lease; OR
	•	Form 72 or 1000 supporting the income reflected on the lease; OR
	•	Lease must be used to determine the net rental income; and
		Rental income from property owned in the prior calendar year
	•	If the subject is owned for at least 1 yr and income from the subject is reported on the Borrower's federal tax returns, the net rental income or loss on Schedule E must be used.
	•	A signed lease may be used if:
	•	The property was out of service for any time period in the prior year and the Mortgage file contains a documented event such as a renovation and the Schedule E supports this by a reduced number of days in use and reflects repair costs; or
	•	The property was purchased later in the calendar year and the Schedule E supports this by a reduced number of days in use;

Income / Assets (Continued)				
Rental Income for 2-4 unit or 1 unit Investment		•	Market Rental Analysis Form 1007/1025 is required to support the income reflected on the lease or	
		•	Documentation (e.g., bank statements evidencing deposit or electronic transfer of rental payments, canceled rent checks) supporting two months of receipt of rental income	
Rental Income for 2-4 unit Principal or 1-4 unit Subject	The below chart is used to determine the amount of rental income from subject property that can be used for qualifying purposes when the borrower is purchasing or refinancing a 2-4 unit principal residence or 1-4 unit investment property			
	If the borrower...		Then for qualifying purposes...	
	• currently owns a principal residence (or has a current housing expense), and • has at least a one-year history of receiving rental income or documented property management experience		• there is no restriction on the amount of rental income that can be used.	
	• currently owns a principal residence (or has a current housing expense), and • has less than one-year history of receiving		• for a principal residence, rental income in an amount not exceeding PITIA of the subject can be added to the borrower's gross income, or • for an investment property, rental income can only be used to offset the PITIA of the subject property	
	• does not own a principal residence, and • does not have a current housing expense		• rental income from the subject property cannot be used.	
Tax Transcripts	•	All loans require a signed 4506-C form. Additional 4506-C form is required to be signed by Borrower's LLC, S-Corp or Corporation Name and EIN		
	•	Tax Transcripts are required for:		
	•	Self-employed borrowers		
	•	Borrower employed by family member		
	•	Using rental income to qualify per tax returns		
	•	Relationship between the parties		
ADU Rental Income	Purchase	Appraisal Information on ADU must include the:		
		1)	General condition of Unit, Square feet of finished area, Total number of rooms including the bedrooms and baths	
		2)	The ADU is allowed per zoning and land use requirement (ie: legal, legal non conforming, no zoning)	
		3)	Comparable sales within the Dales Comparisons Approach section must include at least one sale with ADU that is rented (Form 1004)	
		4)	The rental analysis (Form 1007) must include a minimum of 3 comparable rentals to support market rent applicable to the ADU. At least one of the comparable rentals must include a rented ADU to support the market rent for ADUs.	
		1)	Current and fully excuted lease, with a minimum original term of one year, then a month-to-month term. Lease must be supplied if being transfered in transaction, and may be used to determine rental income, when available along with Appraisal.	
		2)	The amount of Rental Income from ADU used to qualify must not exceed 30% of the total monthly income used to qualify the borrower.	
		3)	Qualify with 75% of the lesser of:	
		•	Fair market rent reported by Appraiser, OR	
		•	Rent reflected in the lease or rental agreement.	
		4)	At least one borrower must participate in a landlord education program, unless the borrower has a minimum of one-year Investment Property management experience of ADU rerntal management exprience. Provide a copy of certification evidencing successful completion.	

Income / Assets (Continued)			
ADU Rental Income	Rate & Term Refinance when ADU was placed in service in current calendar year	1)	Current and fully excuted lease, with a minimum original term of one year, then a month-to-month term. Used with Appraisal and rent analysis (Form 1007) supporting the income reflected on lease and used to qualify.
		2)	Documentation reflecting the date the ADU was placed in service
	Rate & Term Refinance when rental income from an ADU owned in prior calendar year	1)	Current and fully excuted lease, with a minimum original term of one year, then a month-to-month term.
		2)	Qualify with Borrower's most recent 1 yrs. tax returns with Schedule E are required.
		3)	The lease and ADU rental anaysis (Form 1007) may be used if:
			• Documentation supporting the property was out of service for any time period in the prior year such as renovation and Schedule E support this by a reduced number of days in use and reflects repair costs OR
		4)	a) Documentation supporting the property was out of service for any time period in the prior year such as renovation and Schedule E support this by a reduced number of days in use and reflects repair costs OR
			b) The property was purchased later in the calendar year and the Schedule E supports this by a reduced number of days in use]

Property		
Appraisal Requirements	•	Transferred Appraisal Accepted
	•	SSR score on Appraisal must be 4.9 or below. SSR score of 5 is not acceptable
	•	Stand Alone Appraisal Waiver or ACE is allowed per LPA except for the following:
	•	ACE + PDR
	•	Two- to four-unit properties;
	•	Investment properties
	•	Leasehold properties;
	•	Community land trusts or other properties with resale restrictions, which include loans using the Affordable LTV feature;
	•	Manufactured homes
	•	Non-Arm's length transactions
	•	Texas Section 50(a)(6) loans.
	•	Using rental income from the subject property to qualify the borrower
	•	Purchase Price or Value is > \$1,000,000
Streamlined Condo Review Eligibility	Maximum LTV/CLTV Ratios Eligible for Limited Review. Full Condo Review Required for LTV over the maximum listed below.	
Condominiums	•	Please refer to FHLMC guidelines for complete requirements
	•	Projects in which the HOA is named as a party to pending litigation, or for which the project sponsor or developer is named as a party to pending litigation that relates to the safety, structural soundness, habitability, or functional use of the project are ineligible.
	•	Projects with pending litigation that involves minor matters with no impact on the safety, structural soundness, habitability, or functional use of the project, may be eligible if the litigation meets FHLMC requirements for minor matters.
	Exempt from Condo Review:	
	•	2-4 unit condo project
	•	Detached condo unit
	•	FHLMC owned No-Cash-Out Refinance at 80% LTV Max or Refi-Possible mortgage
	Reciprocal Review:	

Property (Continued)			
Condominiums		•	FNMA CPM approved by FNMA or full review "Certified by Lender" status documented in file
		•	Condo units in established condo projects in FL must be 75%/90% LTV ratio or below for a Primary Residence
		•	New condo projects in FL are only eligible with FHLMC if the project has an "Approved by FNMA" status designation in CPM.
		•	FHA Approved Project Review
		•	Evidence of condo project "approved" status by HRAP on FHA Connection website is allowed as long as the approval has not expired and there has been no modifications or circumstances that would make the project ineligible.
Streamlined Condo Review Eligibility	Occupancy Type		Projects Not located in Florida
	Primary Residence		90%
	Second Home		75%
	Investment Property		75%
Escrow Accounts / Impounds	Required if LTV is > 90% in CA or > 80% in all other states.		
DPA	Allowed per FNMA guidelines		
Escrow Holdbacks	Not Allowed		
Ineligible Properties	•	No Land Trusts, Indian Leased Land, Vacant land	
	•	Property Condition rating C6 and/or Quality condition Q6	
	•	Non-Warrantable Condo, Condo-tels, Co-Ops, Manufactured Condos	
	•	Commercial Property, Boarding houses, Bed and Breakfast	
	•	Working Farms	
	•	One Time Close Construction to Perm Loans	
	•	See FHLMC Selling Guide for complete list	
Manufactured Homes	•	Primary Residence and Second Home Only	
	•	Fixed Rate, Fee Simple Only	
	•	Property must not be located in a deed restricted area including restrictions for age and income	
	•	HUD Data Plates (Paper Certification located on the interior of the property) or IBTS Verification	
	•	Built on or after June 15, 1976	
	•	Built on a permanent chassis in compliance with the applicable Manufactured Homes (HUD Codes) in effect as of the date the Manufactured Home was constructed.	
	•	Must be at least 12 feet wide (single-wide not allowed) and have a minimum of 600 square feet of gross living area	
	•	Must be legally classified as real property; it must be a 1-unit dwelling that is permanently affixed to a permanent foundation	
	•	Manufactured Condos not allowed	
	•	Flood insurance required for properties in flood zone	
	•	Manufactured home must be on original site, relocated homes are not permitted	
	•	HUD Certification Labels (metal plates attached) or IBTS Verification if not attached to the property	
	•	New Construction will require a Structural Engineer's report to show that the property is designed to be used as a dwelling with permanent foundation and meets HUD requirements	
	•	Additions to the property are not permitted if the addition was to add GLA or if there were structural changes to the home (additions such as decks and green rooms without structural changes to the property may be accepted)	
	•	Borrower must own the land on which the home is located	
	•	Affidavit of Affixture (or its equivalent) to evidence property is classified and taxed as real property	

Property (Continued)	
Manufactured Homes Refinance	Limited Cash-out Refinance: The maximum LTV ratio (and CLTV ratio, if applicable) for a limited cash-out refinance transaction for a loan secured by a manufactured home and land will be based on the lower of:
	the current appraised value of the manufactured home and land; or
	- if the manufactured home was owned by the borrower for less than 12 months on the loan application date and: - if the home and land are secured by separate liens, the lowest price at which the home was previously sold during that 12-month period plus the lower of the current appraised value of the land, or the lowest sales price at which the land was sold during that 12-month period (if there was such a sale);
	if the home and land are secured by a single lien, the lowest price at which the home and land were previously sold during that 12-month period.
Manufactured Homes Refinance	Cash Out:
	The property must be a multi-width manufactured home.
	The borrower must have owned both the manufactured home and land for at least 12 months preceding the date of the loan application.
	Borrower must be on title for at least 6 months prior to Note date. The LTV, CLTV, and HCLTV ratios will be based on the current appraised value of the manufactured home and land.
Max Financed Properties	Subject is Primary - Unlimited financed properties
	Subject is 2nd Home and Investment - 10 Financed Properties including subject property
Properties Listed for Sale/Listing History	Cash Out and Rate/Term Transactions: Property must be taken off the market prior to application date and borrowers must confirm the intent to occupy for (primary residence)
State Restrictions	Please see our approved License States
Texas R/T and Cash Out	Max 80% LTV/CLTV, 1 unit Principal residences and claimed as Borrower's homestead
	Copy of the current mortgage or Note is required to determine previous terms are not subject to Texas 50 (a)(6).
	12 month seasoning required.
	Max 10 acres
	- Maximum 2% fee limitation for all closing costs, fees and charges A Texas (a)(6) loan may not close until: 12 days after the borrower submits the loan application or all borrower sign the 12 day notice, whichever is later
	1 day after the borrowers receives a copy of the Initial Closing Disclosure
	12 months seasoning of the existing Texas (a)(6) loan
	Please refer to FHLMC guidelines for complete information
Texas 50(a)(4)	The TX (a)(6) loan being refinanced must be seasoned at least 12 months
	No Cash out allowed
	Max 80% LTV/CLTV
	Please refer to FHLMC guidelines for complete information
	Borrower/s affidavit acknowledging the refinance of their Texas (a)(6) loan to a no-cashout Texas(a)(4) refinance loan provided no later than 3 business days after the date of application is received AND at least 12 days before loan closing.

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