GIANT LENDING

FREDDIE MAC HOME POSSIBLE CONFORMING PRODUCT MATRIX

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OCCUPANCY	TRANSACTION TYPE	PROPERTY TYPE	MINIMUM FICO[3]	LTV/TLTV/HTLTV[1]
PRIMARY RESIDENCE	PURCHASE AND LIMITED CASH-OUT REFI	1 UNIT	550	97%[,2]
		2 UNITS		95%
		3-4 UNITS		95%

[1] TLTV ratio up to 105% is permitted when secondary financing is a Freddie Mac Affordable Second; OCMBC does not provide financing for 2nd mortgage; broker must source approved 2nd lien financing that meets Freddie Mac guidelines and would subordinate at closing
[2] Non-occupying co-borrowers: 95% Max LTV/CLTV
[3] For LTVs > 80%, the minimum FICO is 600 and subject to additional FICO PMI requirements

2026 CONFORMING LOAN LIMITS 1-4 UNITS (CLICK HERE)			
UNITS	GENERAL LIMITS	HIGH-COST LIMITS[1]	HI – Kalawao & Maui Counties Only
1	$832,750	$1,249,125	$1,299,500
2	$1,066,250	$1,599,375	$1,663,600
3	$1,288,800	$1,933,200	$2,010,950
4	$1,601,750	$2,402,625	$2,499,100

[1] Includes Alaska & Hawaii, Honolulu & Kauai counties in Hawaii

FIXED PRODUCT OFFERINGS	
Fixed Rate Products	10, 15, 20, 25, 30 year fixed - Nonstandard terms available

TOPIC	CRITERIA
BASIC GUIDELINES	• Criteria in this matrix apply to FHLMC (Freddie Mac) conforming guidelines • Refer to FHLMC Single Family Seller/Servicer Guide for additional guidance • Information in this matrix is subject to change without notice

TOPIC	CRITERIA

Amended Tax Returns	Accepted for the following amendment reasons:
	• 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:
	  ○ 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:
	  ▪ 1099 or W2 showing missed/updated income
	  ▪ Canceled checks or bank statements showing missed/updated rental income

Appraisal/Appraisal Alternatives	• Accepting 3.6 appraisals as of 10.15.26
	• Full appraisal is required with the following alternatives permitted when offered by LPA
	• ACE is allowed when offered by LPA
	• ACE + PDR is allowed when LPA issues an ACE+PDR offer
	  ○ General Requirements (ACE+PDR)
	  ▪ Required repairs or alterations must be documented per FHLMC Seller/Servicer requirements
	• Ineligible Transactions (applies to both ACE and ACE+PDR):
	  ○ 2-4 unit properties
	  ○ Construction-to-permanent financing
	  ○ Leasehold properties
	  ○ Manufactured homes
	  ○ Non-arm's length transactions
	  ○ Primary residence (1-unit) when rental income from an ADU is used to qualify
	  ○ Properties with resale restrictions (including Community Land Trusts and age-related deed restrictions)
	  ○ Purchase price or estimated value ≥ $1,000,000
	  ○ Seller is a lender or government entity
	  ○ Seller-owned modified mortgages that are Home Possible mortgages
	  ○ Texas 50 (a)(6) and Texas 50 (f)(2)
	• Refer to the FHLMC Single Family Seller/Servicer Guide for ACE and ACR+PDR full eligibility details
	• If a full appraisal is obtained for any reason, it must be used
	• If the ACE or ACE+PDR offer is lost due to qualifying changes after property data report collections, a full appraisal is required
	• A full appraisal is required if a Value Acceptance or Value Acceptance + Property Data is allowed and not exercised

TOPIC	CRITERIA
	Note: External-only BPO secondary valuation for rom homes in Baltimore City, MD is not required with an ACE

Assets	• Follow Freddie Mac verification of deposit and asset documentation guidelines to determine asset eligibility for down payment, closing costs, and reserves unless specified below:
	• The following are unacceptable sources for downpayment, closing costs and reserves:
	  ○ Sweat Equity
	  ○ Cash on Hand
	  ○ Assets derived from the production or sale of marijuana
	  ○ An account in a minor's name where the borrower is named only as custodian of the funds
	• Internet Statements, obtained from financial institution's website, must contain the same information found on a standard bank statement.
	• VOD as stand-alone document not permitted unless obtained from a Third-Party Vendor
	• Minimum borrower contribution: No minimum borrower contribution is required for 1 unit purchase transactions
	2-4 units: 3% required for LTV/TLTV/HTLTV > 80%

Asset and Income Modeler (AIM)	• Not permitted
Condominiums	• FHLMC Condo Project Advisor not permitted • Leasehold not permitted • Minimum square footage: 400 Sq Ft
Credit	• All borrowers must have at least one (1) valid credit score • 550 minimum credit score • Extenuating circumstances are not allowed for Bankruptcy or Foreclosure

Electronic Signatures/eSigning	• eSigning is allowed for most documents
	• eSigning is not allowed for:
	  ○ Note
	  ○ Note Rider(s)
	  ○ Notice of Right to Cancel
	  ○ Security Instrument
	  ○ Security Instrument Rider(s)

Employment Verification	• Direct electronic verification of employment by third-party vendors is not permitted
Family-Owned Business	• Two (2) years tax returns are required regardless of AUS (LPA) recommendation

TOPIC	CRITERIA

Higher Priced Covered Transactions (HPCT)/ Higher Priced Mortgage Loans (HPML)	• Higher Priced Covered Transactions (HPCT) loans are ineligible
	• Higher Priced Mortgage Loans (HPML) transactions are eligible. HPML guidelines require:
	  ○ Establishment of an escrow account for taxes and insurance premiums on any transaction secured by a principal residence or second home regardless of LTV.
	  ○ Must meet all applicable state and/or federal compliance requirements

Homeownership and Landlord Education	• Homeownership Education
	  ○ If all occupying borrowers are first-time homebuyers, then at least one borrower must receive housing counseling from a FHLMC or HUD-approved non-profit housing counseling agency prior to the Note date
	  ○ Acceptable Homebuyer Education Programs must meet the National Industry Standards for Homeownership Education and Counseling or be provided by an eligible provider such as:
	  ▪ HUD-approved agencies
	  ▪ Housing finance agencies
	  ▪ Community Development Financial Institutions
	  ▪ Mortgage insurance companies
	  ▪ Freddie Mac's free homeownership course CreditSmart Homebuyer U
	• Landlord Education
	  ○ For 2-4 unit primary residence purchase transactions, at least one qualifying borrower must participate in a landlord education program prior to the Note date
	  ○ Landlord education may not be provided by an interested party to the transaction, the originating lender, or the seller; refer the FHLMC Single Family Seller/Servicer Guide for details

Income	• Borrower's income must not exceed 80% of the annual Area Median Income (AMI) for the property's location, including properties in low-income census tracts
	• For determining Freddie Mac loan eligibility, refer to the AMIs that Freddie Mac uses in LPA or on Freddie Mac's website, other published versions (such as AMIs posted on huduser.org) are not allowed
	• Boarder Income from a 1-unit primary residence:
	  ○ Up to 30% of qualifying income is allowed
	  ○ Occupant (related or unrelated) must reside in the property and not be on title or the mortgage
	  ○ Occupant may not be the borrower's spouse or domestic partner
	  ○ Proof of shared residency for prior 12 months (e.g. ID, utility bill, bank statement) is required
	  ○ Documented rent payment history paid directly to the borrower for 12 months, or 9 of last 12 months (12-month average) to be provided. Rent paid to a third party is ineligible.
	  ○ Borrower statement affirming the source of rental income, how long the rental income has been received, and that it intends to continue residing at the new residence for the foreseeable future is required

TOPIC	CRITERIA

	• Rental Income from an ADU for 1-unit primary residence allowed per FHLMC Guide Section 5306.1
	• The following types of income are unacceptable:
	  ○ Income that is not in accordance with all applicable federal, state and local laws, rules and regulations
	  ○ Any income generated from the cannabis or hemp industry
	  ○ Section 8 Housing Choice Vouchers

Ineligible Programs - FHLMC	• A- Risk Grad • CHOICEHome® • Enhanced Relief Refinance • GreenCHOICE® • Home Possible Reduced Mortgage Insurance Option • Native American Lands • PACE Obligations attached to property • Renovation Mortgages (including HomeOne®)
Ineligible Properties	• Co-Ops • Indian Leased Land • Property Flip of Non-Arm's Length Transaction • Resale type deed restrictions: age-related deed restrictions are acceptable for one-unit primary residences only • Solar Panels that affect first lien position • Properties with condition ratings of C5 or C6

Manufactured Housing	• Limited to 1-unit properties
	• Not permitted:
	  ○ Manufactured Homes that are subject to deed restrictions
	  ○ Leased Land property
	  ○ Single-wide homes
	  ○ New Construction
	• Must meet all other FHLMC guidelines

Minimum Loan Amount	• $75,000
Mortgage Credit Certificate (MCC)	• Not permitted
Mortgage Insurance (MI)	Permitted: • Borrower Paid • Lender Paid • Financed Not Permitted: • Reduced Premium • Split Premium

TOPIC	CRITERIA
Multiple Financed Properties	• Occupant borrowers: May own 1 additional financed residential property at closing (in addition to subject) • Non-occupant co-borrowers: No limit
Non-Occupant Co-Borrowers	• 1-unit properties only • 95% maximum LTV/CLTV/HCLTV • Occupant borrower and non-occupant co-borrower must share a relationship that meets the requirements for an eligible gift donor under FHLMC Single Family Seller/Servicer Guide • Income from all borrowers who will be listed on the Note is to be considered as part of qualifying income and is subject to income limits • Borrower funds may come from the occupant and/or the non-occupant co-borrower • Non-occupant co-borrower cannot be an interested party to the transactions (e.g., the builder, seller or broker)
Non-Permanent Resident Aliens	These borrowers accepted under the following conditions: • Acceptable Visa evidence provided • Borrower eligible to work in the U.S., as evidenced by EAD issued by the USCIS • Borrower has valid Social Security Number (SSN) • Borrower satisfies the same requirements, terms, and conditions as those for U.S. citizen • DACA: With Category C33 work status under deferred action, DACA borrowers are ineligible • Diplomatic Immunity: Borrowers with Diplomatic Immunity 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	• Required when tax returns are used to qualify borrower income
Temporary Buydowns	• Allowed with limitations on 30 year fixed rate loans – see 'Temporary Buydown Guide' below for specific terms and conditions
Underwriting Method	• All loans must receive an LPA "Accept" recommendation • Manual underwriting not permitted

Unpaid Federal Tax Debt	• Delinquent tax debt that has not become a lien and does not impact title (open liens reflected on credit report will impact title and must be paid off) may remain open provided the following are met:
	  ○ Repayment agreement to be provided
	  ○ Evidence of at least one payment made under the plan(s) and payments are current
	• Delinquent tax debt that has become a lien or does not meet the above requirements is ineligible
	• **Note:** Record of Account can be used in lieu of canceled check or proof of electronic payment

TEMPORARY BUYDOWN GUIDE	
Product Eligibility	• 30-Year fixed rate only • Purchase Transactions only • Single Family (1-2 Units), PUD and Condo only • Seller/Builder funded only

Term of Buydown	• 2/1 Buydown:
	  ○ 24-month term
	  ○ Initial interest rate temporarily reduced by no more than two (2) percent below the Note rate and increased by no more than one (1) percent annually for no more than two (2) years, with the non-reduced Note rate applying for years three (3) through 30
	• 1/0 Buydown
	  ○ 12-month term
	  ○ Initial interest rate temporarily reduced by no more than one percent below the Note rate, with the non-reduced Note rate applying for years two (2) through 30

Underwriting Criteria	• Borrowers qualified using Note rate, not buydown rate • Standard Interested Party Contribution (IPC) guidelines apply • Seller/Builder funded only