

ALABAMA HOUSING FINANCE AUTHORITY

Freddie Mac Home Possible Advantage Loan Product

Description	Fixed Rate/ 30 Year Amortization / Purchase
Loan Product Advisor	<ul style="list-style-type: none"> • HFA Advantage through Loan Product Advisor (LPA). • LPA with “Accept” recommendation is required. • LPA A Minus Offering is not allowed. • Manual Underwriting is not allowed.
Affordable Income Subsidy Grant (AIS)	<p>Borrowers at or below 50% of the Area Median Income (“AMI”) Limits as published by Freddie Mac are eligible for an AIS Grant in the amount of \$2,500 and borrowers above 50% of AMI but at or below 80% AMI are eligible for an AIS Grant of \$1,500.</p> <p>Income limits for the AIS Grants are determined by the county location of the home: http://www.freddiemac.com/homepossible/eligibility.html. <u>There is no repayment of the AIS Grant – it is a grant subsidy. The grant can be applied to the borrower’s down payment and/or closing costs.</u></p> <p>If the borrower qualifies, they may receive the AIS Grant, AHFA Step Up down payment assistance, and a Mortgage Credit Certificate. These programs are stackable.</p> <p>Must be disclosed separately as “AIS” in Section L of Closing Disclosure.</p>
Uniform Closing Dataset (UCD)	ServiSolutions requires a Freddie Mac UCD Findings Report in every conventional loan file. The report must reflect “successful result” with transfer to AHFA, an embedded CD, and no Fatal Error Edit warnings.
Eligible Borrower	Per Freddie Mac LPA guidelines: All borrowers must occupy the mortgaged premises as their primary residence.
Eligible Properties	Single-family residences, 1-unit primary residences, condos, townhomes, PUDs
Sales Price Limits	No sales price maximum
Income Limits	Borrower(s) qualifying income cannot exceed \$97,300 annual income
Co-signors/Non-Occupant Co-Borrowers	Not permitted
HFA Program Fees	Delivery fees net funded at purchase: <ul style="list-style-type: none"> • Funding Fee \$200.00 • Tax Service Fee \$71.50
Appraisal Requirements	Full interior and exterior appraisal required. SSR from FMNA/FHLMC with successful result is required.
Buydowns	Not permitted
Assumable	Not permitted
Escrow Waivers	Not permitted

Investor Feature Identifiers (IFIs)	<p>IFI 251 Home Possible Advantage for HFAs should be identified in the Findings. If using DPA Affordable Seconds, IFI 583 should be used for Home Possible Mortgages with an Affordable Second.</p> <p>IFI codes needed for delivery only.</p> <p>IFI G18 should be used for Home Possible Mortgages with an Affordable Second entered into LPA in "Total Gift" field.</p>
Debt-to-Income (DTI) Ratio Maximum	45%
Manual Underwriting	Not permitted
Manufactured Homes	Not permitted
Maximum LTV/CLTV	97% / 105%
Credit Score Requirement	A minimum credit score of 620 is required for all borrowers.
Mortgage Insurance	<ul style="list-style-type: none"> • 95.01 to 97% LTV = 18% • 90.01 to 95% LTV = 16% • 85.01 to 90% LTV = 12% • 80.01 to 85% LTV = 6%
Home Buyer Education	Per Step Up program guidelines, at least one borrower is required to complete a homebuyer education course. All courses must be completed prior to closing.
Subordinate Financing	Must be approved Affordable Second. Lenders are responsible for verifying that the subordinate financing used meets approved eligibility.
Miscellaneous	The information contained in this product description does not modify, replace or substitute information from the Freddie Mac Selling and Loan Product Advisor Guides and/or related release notes or supplements. Always check for Freddie Mac or ServiSolutions announcements and updates for current underwriting guidelines, changes and/or updates.

FOR MORE INFORMATION, CONTACT:

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