



FREDDIE MAC ENHANCED RELIEF REFINANCE MORTGAGESM

PROGRAM SPECIFICATIONS			
Description	The Freddie Mac Enhanced Relief Refinance SM Mortgage provides opportunities to borrowers with existing Freddie Mac mortgages who are making timely payments, but are unable to take advantage of the standard Freddie Mac "no cash-out" refinance offering because the new mortgage exceeds maximum loan-to-value (LTV) limits.		
Freddie Mac Loan Lookup	https://ww3.freddiemac.com/loanlookup/		
Channels	<ul style="list-style-type: none"> • Broker • Correspondent <ul style="list-style-type: none"> ○ Table Funded ○ Non-Delegated UW ○ Delegated UW 		
FICO	<ul style="list-style-type: none"> • 620 minimum qualifying credit score for all qualifying borrowers <ul style="list-style-type: none"> ○ 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	<ul style="list-style-type: none"> • Loan Prospector (LP) 		
AUS Recommendation	<ul style="list-style-type: none"> • Accept Risk Class • All loans must at meet the Income and Asset Documentation Requirements outlined in the Freddie Mac Single Family Seller/Servicer Guide 		
Eligible Terms	<ul style="list-style-type: none"> • 15Yr., 20Yr., 25 Yr., 30Yr. Fixed Rate 		
Maximum DTI	<ul style="list-style-type: none"> • 45% <ul style="list-style-type: none"> ○ HPML transactions are not permitted 		
Seasoning	Mortgage being refinanced must: <ul style="list-style-type: none"> • Be a First Lien, conventional mortgage owned or securitized by Freddie Mac • Not be a Freddie Mac Relief Refinance Mortgage • Have a Note Date on or after October 1, 2017 • Be seasoned for at least 15 months (that is at least 15 months must have passed between the note date of the mortgage being refinanced and the note date of the Enhanced Relief Refinance Mortgage) • Not be a mortgage subject to an outstanding repurchase request 		
Eligible Property Types	<ul style="list-style-type: none"> • 1-4 Unit Primary Residences • 1 Unit Second Homes • 1-4 Unit Investment Properties • Condominiums • PUDs • Multi-Width Manufactured Housing 		
Maximum LTV/TLTV/HTLTV	No maximum LTV/TLTV/HTLTV		
Minimum LTV	Occupancy	Number of Units	Minimum LTV
	Primary Residence	1-unit (including MH)	97.01%
		2-unit	85.01%
		3- and 4-unit	80.01%
	Second Home	1-unit (including MH)	90.01%
	Investment Property	1-unit	85.01%
		2- to 4-unit	75.01%
Secondary Financing	Existing Junior Lien: <ul style="list-style-type: none"> • Must be subordinated and must meet the requirements for secondary financing set forth in Chapter 4204. An increase in the current unpaid principle amount of any junior liens is prohibited to curtail the Enhanced Relief Refinance M or to pay related closing costs, and no new secondary financing is permitted. • May be an Affordable Second • May be refinanced simultaneously with existing First Lien if the junior lien is being refinanced for the following purposes: <ul style="list-style-type: none"> ○ A reduction in the interest rate of the junior lien ○ To replace an ARM, and interest-only junior lien, or a junior lien with a balloon or call option with a fixed-rate, fully amortizing junior lien ○ A reduction in the amortization term of the junior lien 		





	<ul style="list-style-type: none"> ○ A reduction in the monthly payment of the Junior lien <p>Note: The UPB of the new junior lien may not be more than the UPB, at the time of payoff, of the junior lien being refinanced. If the junior lien being refinanced is a fixed-rate junior lien, the new junior lien may not be an ARM.</p>
Eligible Borrowers	<ul style="list-style-type: none"> • The Borrower(s) obligated on the Note on the Mortgage must be the same as the Borrower(s) obligated on the Note on the Mortgage being refinance.
Borrower Benefit	<p>The Enhanced Relief Refinance Mortgage must be originated for one of the following purposes:</p> <ul style="list-style-type: none"> • A reduction in the interest rate of their First Lien Mortgage; or • Replacing an ARM with a Fixed Rate Mortgage; or • Reduction in amortization term of the First Lien Mortgage; or • Reduction in the monthly principal and interest payment of the First Lien Mortgage
Mortgage Insurance	<p>Follow LP</p> <p>For each Enhanced Relief Refinance Mortgage – with an LTV ratio greater than 80%:</p> <ul style="list-style-type: none"> • If the Mortgage being refinanced has mortgage insurance coverage, then the same percentage of mortgage insurance coverage must be maintained for the new refinance Mortgage on the entire unpaid principal balance • Mortgage insurance on the mortgage being refinanced may be transferred to the new loan • If the Mortgage being refinanced does not have mortgage insurance coverage, then no mortgage insurance coverage is required for the new refinance Mortgage
MI Companies	<ul style="list-style-type: none"> • Arch • MGIC (Refi-to-Mod Request) • Genworth • Republic Mortgage Insurance Company (RMIC) • Triad Guaranty, Inc. • Radian
Payment History	<ul style="list-style-type: none"> • The mortgage has not been 30-days delinquent in the most recent six months; and • Has not been 30-days delinquent more than once in the most recent 12 months • Has not been 60 or more days delinquent in the most recent 12 months
Property Valuation	<ul style="list-style-type: none"> • Home Value Explorer (HVE) or, • New appraisal <ul style="list-style-type: none"> ○ Follow Section 4304.7 of the Seller Guide. MH not eligible for HVE
Mortgage Proceeds	<p>The proceeds of the Enhanced Relief Refinance must be used only to:</p> <ul style="list-style-type: none"> • Pay off the first Mortgage (amount including only the unpaid principal balance and interest accrued through the date the Mortgage being refinanced is paid off) • Pay related closing costs, Financing Costs and Prepaids/Escrows not to exceed \$5,000 • Disburse cash to the Borrower not to exceed \$250 • In the event there are remaining proceeds from the Mortgage after the proceeds are applied as described above: <ul style="list-style-type: none"> ○ The Mortgage amount must be reduced, or ○ The excess amount must be applied as a principal curtailment to the Mortgage at closing and must be clearly reflected on the Settlement/Closing Disclosure Statement. <p>Under no circumstances may cash be disbursed to the Borrower (or any other payee) exceed \$250. The proceeds may not be used to pay off or pay down any junior liens.</p> <p>Note: If combined with a TX (a)(4), cash back or principle curtailments are not permitted. The Mortgage amount must be reduced.</p>
Geographic Restrictions	<ul style="list-style-type: none"> • Alaska • Hawaii <ul style="list-style-type: none"> ○ AFR does not operate in the states of Alaska or Hawaii and does not permit loans with a subject property in Alaska or Hawaii for all programs in all channels with the exception of Correspondent Delegated UW transactions.
Guidelines	http://www.freddiemac.com/singlefamily/guide/
Forms	See FORMS Section in the Resource Center
OVERLAYS	
<p>Follow all overlays outlined in the Freddie Mac Fully Amortizing Fixed Program Matrix <u>and</u>:</p> <ul style="list-style-type: none"> • Following are not permitted: <ul style="list-style-type: none"> ○ Escrow Credits ○ Manual Underwrite ○ Principal and interest payment increase by more than 20% ○ HPML transactions 	





- Omitting a Borrower obligated on the Note on the Mortgage being refinanced or, adding a borrower



Revised
1/03/19