

**BULLETIN #2016-20**

**TO: Distribution**

**DATE: May 9, 2016**

**RE: CMG Financial Correspondent Lending Updates**

**EFFECTIVE: As noted below**

**CMG CORRESPONDENT LENDING UPDATES**

**Topics Covered in this Announcement:**

- **New HomePossible Product Codes**

**NEW HOMEPOSSIBLE PRODUCT CODES**

**Summary:** Freddie Mac announced changes to the new requirements for pricing for HomePossible Mortgages . Effective with locks on and after May 10th, pricing, product codes and MI coverage levels are changing for the Freddie Mac HomePossible program. However, the product code is no longer required to be chosen based on income eligibility level.

For guidance on "How to Price Home Ready" [Click Here to See Instructions](#)

**New Product Codes:** For Locks on and after May 10, 2016 use of the following product codes, pricing and associated MI coverage is required (5/10/16 =first day to lock):

**New Home Possible & Home Possible Advantage Product Codes**

- 101HP – 30 Year Fixed HomePos sible
- 102HP – 15 Year Fixed HomePos sible
- 1451HP – 5/1 LIBOR Arm HomePoss ible
- 101HPA – 30 Year Fixed Home Possible Advantage
- 102HPA – 15 Year Fixed Home Possible Advantage

New MI Coverage Levels	
30 Yr Fixed Rate & 5/1 ARM	15 Year Fixed Rate
85.01 to 97% LTV = 25% Coverage	90% LTV = 25% Coverage
80.01 to 85% LTV = 12% Coverage	85.01 to 90% LTV = 12% Coverage
	80.01 to 85% LTV = 6% Coverage

**Effective Date:** May 10, 2016. Guidelines will be updated and reposted with the new product codes on or prior to Monday, May 10, 2016.

**Action to Take:** Last day to lock/extend/relock current Home Possible program codes will be May 9, 2016. Any loans locked on or after May 10th must utilize the new product codes, pricing, and MI coverage.

***Please contact your Correspondent National Sales Manager  
or your Correspondent Liaison with any questions.***

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