

BULLETIN # 2018-24

TO: Distribution

DATE: July 25, 2018

**RE: CMG Financial Correspondent Lending
Updates**

EFFECTIVE: As noted below

CMG FINANCIAL CORRESPONDENT LENDING UPDATES

Topics Covered in this Announcement:

- Freddie Mac HomeOne
- Home Possible & Home Possible Advantage Clarification- Offering Identifier

FREDDIE MAC HOMEONE

Summary: Freddie Mac is introducing the HomeOne Mortgage, a new low down payment option that will serve the needs of more First-Time Homebuyers. HomeOne Mortgages will have loan-to-value (LTV), total LTV (TLTV) and/or Home Equity Line of Credit (HELOC) TLTV (HTLTV) ratios above 95%. This offering will complement their Home Possible offering by providing a low down payment financing option for Borrowers without specific income or geographic restrictions.

- When all Borrowers are First-Time Homebuyers, at least one Borrower must participate in homeownership education. This requirement may be fulfilled with the free, online [CreditSmart®](#) program or another acceptable homeownership education program.
- The maximum LTV/TLTV/HTLTV ratios are:
 - Maximum LTV ratio: 97%
 - Maximum TLTV ratio for Mortgages with secondary financing that are not Affordable Seconds®: 97%
 - Maximum TLTV ratio for Mortgages with Affordable Seconds: 105%
 - Maximum HTLTV ratio: 97%
- The Mortgage must be:
 - A Loan Product Advisor Mortgage with a Risk Class of Accept (Manually Underwritten Mortgages are not permitted)
 - A purchase transaction or "no cash-out" refinance Mortgage. For a "no cash-out" refinance Mortgage, the Mortgage being refinanced must be

owned or securitized by Freddie Mac unless it has secondary financing that is an Affordable Second. To identify if Freddie Mac owns the Mortgage, the Borrower can look up the loan in [Freddie Mac's Loan Look-Up Tool](#) or authorize the lender to obtain this information on the Borrower's behalf.

- Secured by a 1-unit Primary Residence. Eligible property types include Condominium Units and units in Planned Unit Developments. Manufactured Homes are not permitted.
- A fixed-rate Mortgage
- If the Mortgage has an LTV ratio greater than 95%, it must have standard mortgage insurance coverage of 35%. CMG does not permit custom mortgage insurance.
- Manufactured homes are not permitted.
- Non-occupant borrower not permitted. All borrowers must occupy the mortgaged premises as a primary residence.

Effective Date: *Loan Product Advisor will be updated on July 29, 2018 to support the HomeOne Mortgage.*

CMG conventional conforming guidelines will be updated to coincide with Freddie Mac's July Loan Product Adviser update.

HOME POSSIBLE AND HOME POSSIBLE ADVANTAGE CLARIFICATION-OFFERING IDENTIFIER

Summary: As a reminder, if the appropriate offering identifier is not entered into LPA for Home Possible/Home Possible Advantage loan, the loan will not be eligible for the Home Possible offering.

Effective Date: *This is a reminder*

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



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