

Freddie Mac Matrix

Freddie Mac Standard Profile						
Finance Type	Freddie Mac – LP Accept			Freddie Mac – LP Accept		
	Purchase and Rate/Term Refinance			Cash-Out Refinance		
Terms	Owner Occupied – Fixed Rate					
	Property Type	LTV/TLTV	Min FICO	Property Type	LTV/TLTV	Min FICO
	1 Unit	95%	<u>AUS Cert with min 620</u>	1 Unit	80%	<u>AUS cert with min 620</u>
	2 Units	85%		2 Units	75%	
	3-4 Units	80%		3-4 Units	75%	
	Second Home – Fixed Rate					
	Property Type	LTV/TLTV	Min FICO	Property Type	LTV/TLTV	Min FICO
	1 Unit	90%	<u>AUS Cert with min 620</u>	1 Unit	75%	<u>AUS Cert with min 620</u>
	Investment – Fixed Rate					
	Property Type	LTV/TLTV	Min FICO	Property Type	LTV/TLTV	Min FICO
	1 Unit	85%	<u>AUS Cert with min 620</u>	1 Unit	75%	<u>AUS Cert with min 620</u>
	2-4 Units	75%		2-4 Units	70%	

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Freddie Mac Home Possible						
Finance Type	Freddie Mac – LP Accept			Freddie Mac – LP Accept		
	Purchase			Rate/Term Refinances		
Conforming Mortgages	Property Type	LTV/TLTV	Min FICO	Property Type	LTV/TLTV	Min FICO
	1 Unit	97/105*%	AUS Cert with min 620	1 Unit	97/105*%	AUS cert with min 620
	2-4 Units	95/105*%		2-4 Units	95/95%	
Super Conforming Mortgages	Property Type	LTV/CLTV	Min FICO	Property Type	LTV/CLTV	Min FICO
	1 Unit	95/105*%	AUS Cert with min 620	1 Unit	95/105*%	AUS cert with min 620
	2 Units	85/85%		2 Units	85/85%	
	3-4 Units	80/80%		3-4 Units	80/80%	
	*A TLTV ratio up to 105% is permitted when secondary financing is an Affordable Second					

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Manufactured Housing				
Occupancy	Transaction	Property Type	Maximum LTV/CLTV/HCLTV	Minimum FICO
Owner Occupied Primary Residence	Purchase & Limited Cash-Out Refinance	1 Unit	95%	AUS cert with min 620
	Cash-Out Refinance (Term ≤ 20 years)	1 Unit	65%	
Second Home	Purchase & Limited Cash-Out Refinance	1 Unit	85%	
Refi Possible				
Income Limit	<ul style="list-style-type: none">The borrower's qualifying income converted to an annual basis must not exceed 100% of the area median income (AMI) for the location of the mortgaged premisesIn determining whether a loan is eligible under the borrower income limits, Sellers must consider the income from all borrowers who will sign the Promissory Note, to the extent that the income is considered in evaluating creditworthiness for the new loan.			
Change in Borrowers	<ul style="list-style-type: none">The borrower(s) obligated on the Promissory Note for the Refi Possible mortgage must be the same as the borrower(s) on the Promissory Note for the mortgage loan being refinancedBorrower obligated on the Promissory Note for the mortgage being refinanced may be omitted from the Promissory Note for the Refi Possible Mortgage provided that:<ul style="list-style-type: none">The mortgage file contains evidence that the remaining borrower has been making the mortgage payments, including the payments for any secondary financing, for the most recent 12-month period from their own funds; orIn the case of death, the Seller obtains and retains in the mortgage file documentation of the borrower’s deathIn all cases, at least one borrower from the mortgage being refinanced must be retained			
Borrower Benefit	<ul style="list-style-type: none">The refinanced loan must provide the following benefits to the borrower:<ul style="list-style-type: none">a reduction in interest rate of at least 50 basis points, anda reduction in the monthly payment that includes principal, interest, and the mortgage insurance payment (if applicable).			

<p>General Eligibility Requirements</p>	<ul style="list-style-type: none"> • Minimum 620 FICO • Prior loan being refinanced must be a conventional mortgage owned or securitized by Freddie Mac • Refinance loan must be secured by a one-unit principal residence • At least 12 months must have passed from the original Promissory Note date of the loan being refinanced to the new loan Promissory Note date. • Refinance loan must be a limited cash-out with cash to borrower at closing less than or equal to \$250 • Loans must be submitted to Loan Product Advisor. • LP identifies if the loan is eligible for Refi Possible based on the property address, qualifying income, and other factors. • May not be combined with Home Possible refinance transaction • All eligible property types are acceptable • For properties located in a PUD or condo project, Sellers must confirm that the project is not a hotel, timeshare, or segmented ownership project. All other project review requirements are waived.
<p>Eligible Subordinate Financing</p>	<ul style="list-style-type: none"> • Existing subordinate financing <ul style="list-style-type: none"> ○ May not be satisfied with the proceeds of the new loan, ○ Can remain in place if it is resubordinated to the new loan, and ○ May be simultaneously refinanced with the existing first lien mortgage, provided that: o the unpaid principal balance (UPB) of the new subordinate lien is not more than the UPB of the subordinate lien being refinanced at the time of payoff, and there is no increase in the monthly principal and interest payment on the subordinate lien. • New subordinate financing is only permitted if it replaces existing subordinate financing.
<p>Property Valuation</p>	<ul style="list-style-type: none"> • Appraisal Waiver is acceptable • If appraisal was obtained for the transaction, \$500 credit will be provided to the lender on the purchase advice. • The Final Closing Disclosure (CD) must reflect the \$500 credit to borrower
<p>Mortgage Payment History</p>	<ul style="list-style-type: none"> • The mortgage being refinanced must have a payment history that indicates the following: <ul style="list-style-type: none"> ○ The mortgage has not been 30 days delinquent in the most recent six months; and ○ The mortgage has not been 30 days delinquent more than once in the most recent 12 months, and ○ The mortgage has not been 60 or more days delinquent in the most recent 12 months

Ineligible Mortgages	<ul style="list-style-type: none"> • The mortgage being refinanced must not be: <ul style="list-style-type: none"> ○ A Freddie Mac Relief Refinance mortgage ○ A Freddie Mac Enhanced Relief Refinance® mortgage ○ A Refi Possible mortgage ○ A mortgage subject to an outstanding repurchase request ○ A mortgage subject to recourse, indemnification, or another credit enhancement other than mortgage insurance • Super conforming loan amounts are ineligible • Texas Section 50(a)(6) loans are ineligible • Prior loan may not be subject to a temporary interest rate buydown
Guidance	
Minimum Loan Amount	<ul style="list-style-type: none"> • \$50,000 minimum loan amount on all products • \$75,000 on manufactured singlewide
Ability to Repay and Qualified Mortgage Rules (ATR/QM)	<p>The ATR/QM rules requires you made a reasonable, good-faith determination before or when you consummate the mortgage loan that the borrower has a reasonable ability to repay the loan. The Money Source Inc. follows HUD and CFPB guidance in regards to QM.</p> <p>Safe Harbor and Rebuttal Presumption to QM loans are considered for purchase review with no additional overlays. Sellers are responsible for providing evidence of compliance with the ATR/QM rules.</p>
Age of Documents	<ul style="list-style-type: none"> • Credit documents must be dated within four months of the Promissory Note date • Preliminary Title Policy/Report must be no more than 180-days-old on the date the Promissory Note is signed.
No Cash-Out Refinance Seasoning	<ul style="list-style-type: none"> • The refinance mortgage being paid off must have a Promissory Note Date no less than 30 days prior to the Promissory Note Date of the “no cash-out” refinance mortgage, documented in the mortgage file, when none of the borrowers have been on the title for at least six months. • When the property’s title has been held by a limited liability company (LLC) or limited partnership (LP), the requirement may be satisfied by the time the property was titled in the name of the LLC or LP, provided that: <ul style="list-style-type: none"> ○ The borrower is a majority owner or had control of the LLC or LP since the date the property was acquired by the LLC or LP, and ○ Title is transferred into the borrower’s name prior to the Promissory Note date
Appraisals	<ul style="list-style-type: none"> • Determined by LPA Findings. • Appraisal waivers, through Loan Product Advisor, are acceptable. Appraisal Waivers are not eligible when:

	<ul style="list-style-type: none"> ○ Subject property has leasehold interest. ○ Subject property is subject to resale restrictions, ○ The lender is required by law or regulation to obtain an appraisal (such as Texas (a)(6) transactions) • Desktop Appraisal allowed only with an Accept recommendation and feedback message in LPA indicating the loan is eligible for delivery with a desktop appraisal. All agency required desktop appraisal requirements must be met. <p>Uniform Collateral Data Portal (UCDP)</p> <p>All appraisal reports must be submitted to Fannie Mae and Freddie Mac UCDP and Submission Summary Report (SSR) must be included in the loan documents.</p> <p>Collateral Underwriter Score</p> <ul style="list-style-type: none"> • Collateral Underwriter (CU) is a proprietary appraisal risk assessment tool developed to support appraisal quality. CU is integrated with appraisals uploaded to the UCDP. A CU risk score, flags, and messages will be returned in the UCDP SSR. All SSR quality and/or overvaluation flags with a risk score between 4.01 and 4.9 must have the appropriate steps taken to ensure the validity of the value on the appraisal. Proper documentation may include, but is not limited to, comments from the Underwriter, comments from the Appraiser, and/or a Desk Review. Loans with collateral underwriting score of 5 due to heightened risk of overvaluation are ineligible for purchase. <p>Should Freddie Mac or Fannie Mae send a repurchase demand for unsupported collateral value the Seller will be asked to repurchase the loan.</p>
Assets	<ul style="list-style-type: none"> • Follow Freddie Mac guidelines relative to funds to close. • For Home Possible, refer to Freddie Mac guideline for minimum contribution requirements • Gift funds are allowed in accordance with Freddie Mac guidelines. • The following requirements apply when evaluating deposits on the borrower's account statements: <ul style="list-style-type: none"> ○ Except as stated below, the Seller is not required to document the sources of unverified deposits for purchase or refinance transactions; however, when qualifying the borrower, the Seller must consider any liabilities resulting from all borrowed funds. ○ For purchase transactions, the Seller must document the source of funds for any single deposit exceeding 50% of the total monthly qualifying income for the mortgage if the deposit is needed to meet the requirements for borrower funds and/or reserves.

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	<ul style="list-style-type: none"> ○ When a large deposit is not documented and is not needed for borrower funds and/or required reserves, the Seller must reduce the funds used for qualifying purposes by the amount of the unverified deposit. For Loan Prospector mortgages, the Seller must enter the reduced amount of the asset into Loan Prospector. ○ When a single deposit consists of both verified and unverified portions, the Seller may use just the unverified portion when determining whether the deposit exceeds the 50% requirement. ○ When the source of funds can be clearly identified from the deposit information on the account statement (e.g., direct payroll deposits) or other documented income or asset source in the mortgage file (e.g., tax refund amounts appearing on the tax returns in the file), the Seller is not required to obtain additional documentation. ○ The Seller must document the source of a deposit of any amount regardless of the transaction type if the Seller has any indication that the funds are borrowed or are not from an eligible source. ● When using a direct account verification (e.g., verification of deposit (VOD)), the Seller must include documentation of the source of funds when an account is opened within 90 days of verification and/or when the current balance in an account is significantly greater than the average balance.
AUS	<ul style="list-style-type: none"> ● Loan Prospector with "Accept" Recommendation is required. LP A Minus Offering is not allowed ● Manual underwrites are not eligible for purchase review by TMS
Borrower Eligibility	<ul style="list-style-type: none"> ● U.S. Citizens ● Permanent resident aliens, with proof of lawful permanent residence <p>Borrowers may hold title individually, as joint tenants, as tenants in common, or inter vivos (except if Texas Home Equity transaction).</p> <p>Titles held in the following are not eligible for purchase consideration:</p> <ul style="list-style-type: none"> ● Corporations ● Partnerships ● Real estate syndications ● Irrevocable trusts are not eligible for purchase consideration
Condominiums	<ul style="list-style-type: none"> ● Follow Freddie Mac published Condominium Eligibility Guidelines ● Streamlined Condo review allowed in accordance with Freddie Mac Guidelines ● Streamlined review for attached Condominium Units in Established Condominium Projects not located in Florida ● TMS will not allow a project in litigation, arbitration, mediation, or other dispute in accordance with the following: A project for which the Homeowners Association, or developer if the project has not been turned over to the unit owners, is a party to

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	<p>current litigation, arbitration, mediation or other dispute resolution process and the reason for the dispute involves the safety, structural soundness, or habitability of the project except for instances where:</p> <ul style="list-style-type: none"> ○ The litigation amount is known, the insurance company has committed to providing defense, and the litigation amount is recovered by the insurance policy. ○ The matters involve non-monetary neighbor disputes regarding rights of enjoyment, or ○ The Homeowner's Association is the plaintiff in the litigation and the Seller has determined that the matter is minor with insignificant impact to the financial status of the condominium project. ○ Florida condominiums are allowed in accordance with Freddie Mac requirements except for newly converted condo projects (see ineligible section): ○ PERS is required for new condo projects. ○ Established and Streamline reviews allowed in accordance with Freddie Mac requirements
Continuity of Obligation	<p>When an existing mortgage will be satisfied as a result of a refinance transaction, one of the following requirements must be met:</p> <ul style="list-style-type: none"> • At least one borrower on the refinance mortgage was a borrower on the mortgage being refinanced. • At least one borrower on the refinance mortgage held title to and resided in the mortgaged premises as a primary residence for the most recent 12-month period and the mortgage file contains documentation evidencing that the Borrower either: <ul style="list-style-type: none"> ○ Has been making timely mortgage payments, including payments for any secondary financing, for the most recent 12-month period; <i>or</i> ○ Is a related person to a borrower on the mortgage being refinanced; or ○ At least one borrower on the refinance mortgage inherited or was legally awarded the mortgaged premises by a court in the case of divorce, separation, or dissolution of a domestic partnership.
Credit	<p>At least one borrower must have one FICO score equal to or greater than 620 to be eligible and must meet all of Freddie Mac's credit requirements.</p>

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<p>Disaster Policy</p>	<ul style="list-style-type: none"> • If an appraisal was completed on or prior to the incident period date(s) of the disaster, a reinspection completed on either Form 1004D, or Form 2075, will be required. • If the appraisal was inspected after the disaster incident period date(s), the following will be required: • The reinspection must contain the following commentary/evidence: Property is free from damage and the disaster has no effect on value or marketability. • Appraiser must use current photos of the subject property and comparable sales. Photos from MLS or the Appraiser's database are not acceptable. • If an appraisal was not required due to a property inspection waiver or product type, Seller must resubmit to LP and maintain PIW eligibility. <ul style="list-style-type: none"> ○ If the PIW is no longer available by LP, a full appraisal is required. ○ If the property is still eligible for the PIW, a reinspection will be required. ○ Lender's Certification in lieu of reinspection is acceptable (see Lender's Certification in lieu of reinspection section in TMS's Seller's Manual) <p>Promissory Note: Please refer to FEMA's website for recent updates on disaster areas.</p>
<p>Documentation</p>	<ul style="list-style-type: none"> • Determined by LP (one year of tax returns is acceptable if allowed by LP and Freddie Mac guidelines.) • Employer assistance is acceptable in accordance with Freddie Mac guidelines.

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4506-C Transcripts	<ul style="list-style-type: none"> IRS tax transcripts are required when qualifying with any of the following: 1) self-employed income; 2) rental income documented on schedule E; 3) employed by a family-owned business; 4) employed by interested parties to the property sale or purchase; 5) income when the 1040s are used in lieu of alternative documentation; 6) non-taxable income, other than VA disability income, is grossed up; 7) Other income types such as auto allowance, capital gains/losses, dividend/interest, or farm income/loss; 8) Handwritten income documentation;
Eligible Products	Fixed Rate 15-, 20-, 30-year
Ineligible Products	<ul style="list-style-type: none"> All loans must receive LP "Streamline Accept" or "Accept." LP findings of invalid, ineligible, incomplete, or manually underwritten are not eligible for purchase review by TMS
Employment/Income Verification	<ul style="list-style-type: none"> All loans must have employment and income documentation following LPA and Freddie Mac requirements Manually verified VOE in lieu of paystubs and W2 is not acceptable For salaried employees, the verbal verification of employment must be completed within 10 business days prior to the Promissory Note date For self-employed borrowers: <ul style="list-style-type: none"> Sellers must verify the existence of the borrower's business within 120 calendar days prior to the Promissory Note date from; <ul style="list-style-type: none"> a third party, such as a CPA, regulatory agency, or the applicable licensing bureau. The lender must document the source of the information obtained. by verifying a phone listing and address for the borrower's business using a telephone book, the Internet, or directory assistance. Sellers must document the source of the information obtained. Sellers are required to verify borrower's self-employed business is open and operating within 10 days of the Promissory Note date. For borrowers in the military, a military Leave and Earnings Statement dated within 30 days prior to the Promissory Note date is acceptable in lieu of a verbal verification of employment.

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Financing Concessions	<ul style="list-style-type: none"> Financing concessions for primary residences and second homes must be within the following allowable percentages: <ul style="list-style-type: none"> 9% of value with LTV/CLTV ratios less than or equal to 75% 6% of value with LTV/CLTV ratios greater than 75% up to and including 90% 3% of value with LTV/CLTV ratios greater than 90% The maximum financing concession for investment properties is 2% of value regardless of the LTV ratio The property seller can pay up to 12 months' future HOA dues, per Freddie Mac guidelines. Amount of HOA dues must meet IPC limits. See Freddie Mac's Seller's Guide – Section 25.3 for additional details
High Cost/High Priced	<ul style="list-style-type: none"> High-cost loans are ineligible for purchase by TMS Higher Priced Mortgage Loans (HPML) are eligible for purchase review
Loan Purpose	<ul style="list-style-type: none"> Purchase Limited Cash-Out/Rate & Term Refinance: <ul style="list-style-type: none"> Proceeds can be used to pay off a first mortgage Proceeds can be used to pay off any junior liens related to the purchase of the subject property Pay related closing costs and prepaid items Disburse cash out to the borrower in an amount not to exceed 2% of the new mortgage or \$2,000, whichever is less Cash-Out <ul style="list-style-type: none"> When proceeds of a cash-out refinance Mortgage are used to pay off a First Lien Mortgage, the First Lien Mortgage being refinanced must be seasoned for at least 12 months (at least 12 months must have passed between the Note Date of the Mortgage being refinanced and the Note Date of the cash-out refinance Mortgage) The seasoning requirement does not apply when: <ul style="list-style-type: none"> The cash-out refinance Mortgage is a special purpose cash-out refinance Mortgage that meets the requirements in Section 4301.6, or The First Lien Mortgage being refinanced is a Home Equity Line of Credit (HELOC)
Mortgage Insurance	Acceptable MI Types <ul style="list-style-type: none"> Borrower-paid monthly

	<ul style="list-style-type: none"> • Borrower-paid single premium • Financed: Gross LTV cannot exceed TMS program maximum <ul style="list-style-type: none"> ○ Not allowed for Super Conforming loans • Lender-paid single premium <p>Unacceptable MI Types</p> <ul style="list-style-type: none"> • Lender-paid monthly • Lender-paid annual • Borrower-paid annual • Split premium • Reduced coverage
Occupancy	<ul style="list-style-type: none"> • Primary residence – 1-4 units • Second home – 1 unit only • Investment – 1-4 units
Eligible Properties	<ul style="list-style-type: none"> • Single Family attached/detached single unit • 2-4 unit attached/detached • PUDs • Manufactured homes • Low-rise and high-rise condominiums (must be Freddie Mac eligible) • Rural properties (in accordance with Freddie Mac guidelines, loans must be residential in nature) • Leaseholds, provide Freddie Mac Ground Lease Analysis (Form 461)

Ineligible Properties	<ul style="list-style-type: none"> • Mobile homes • Commercial including bed/breakfast, boarding houses etc. • Mixed use • Non-traditional home types (e.g., log & dome homes) • Historic homes • Manufactured homes with deed restrictions • Cooperative • Condotels • Timeshares • Working farms and ranches • Unimproved land • Property currently in litigation • Land Trust • Condition Rating of C5/C6 or a quality rating of Q6 • No Hawaiian properties located in lava zones 1 or 2, as determined by the USGS • Turn-key investment properties
1003	The Final URLA (1003) must be dated and reflect Loan Officer's NMLS number
Recently Listed Properties	The subject property must not be currently listed for sale. It must be taken off of the market on or before the disbursement date of the new mortgage loan. Borrower must confirm their intent to occupy the subject property (for principal residence transactions).
Rental Income Calculation	<ul style="list-style-type: none"> • Follow Freddie Mac guidelines regarding rental income calculation • On subject and non-subject non-owner properties, must include the principal component of the mortgage in the rental income calculation. See Freddie Mac's Seller's Guide – Section 5306 for details
Reserves	<ul style="list-style-type: none"> • Reserves requirement must be met, per Freddie Mac guidelines

Transaction Overlays	<ul style="list-style-type: none"> • No assigned purchase contracts • Non-permanent resident aliens & foreign nationals are not eligible • No negative amortization or balloon payments on subordinate financing • ARMs, HomeOne, A-Minus, construction, Open Access, or Affordable Housing loans are not eligible for purchase review by TMS
<p>Sellers shall deliver loans that were originated in accordance with the Freddie Mac Single Family Selling Guide unless otherwise noted in TMS's Seller's Manual. TMS does not discriminate in any aspect of a credit transaction on the basis of sex, marital status, race, religion, national origin, age, income derived from public assistance, or the good faith exercise of rights under the Consumer Credit Protection Act.</p>	