

## Product Snapshot

# Freddie Mac Refi Possible | TPO

The Freddie Mac Refi Possible<sup>SM</sup> Mortgage makes it easier for homeowners with incomes at or below 100% of the Area Median Income (AMI) to take advantage of low interest rates with expanded eligibility and features that help to overcome many common borrower challenges.

Primary Residence - Rate and Term Refinance Fixed Rate			
Property Type	LTV/CLTV	Min Credit Score	Max DTI <sup>2</sup>
1-Unit	97% <sup>1</sup>	550	65%
Manufactured Homes	95% <sup>1</sup>		
Mortgage with a non-occupying	95% <sup>1</sup>		

<sup>1</sup>A CLTV ratio up to 105% is permitted when the subject is not secured by a Manufactured Home and secondary financing is an Affordable Second  
<sup>2</sup>Maximum 50% DTI for properties located in West Virginia regardless of AUS approval

Program Parameters											
<b>Acceptable Transaction Terms</b>	<table border="0"> <tr> <td>Conforming 10 Year Fixed Rate- FHLMC Refi Possible</td> <td>C10RP</td> </tr> <tr> <td>Conforming 15 Year Fixed Rate- FHLMC Refi Possible</td> <td>C15RP</td> </tr> <tr> <td>Conforming 20 Year Fixed Rate- FHLMC Refi Possible</td> <td>C20RP</td> </tr> <tr> <td>Conforming 25 Year Fixed Rate- FHLMC Refi Possible</td> <td>C25RP</td> </tr> <tr> <td>Conforming 30 Year Fixed Rate- FHLMC Refi Possible</td> <td>C30RP</td> </tr> </table>	Conforming 10 Year Fixed Rate- FHLMC Refi Possible	C10RP	Conforming 15 Year Fixed Rate- FHLMC Refi Possible	C15RP	Conforming 20 Year Fixed Rate- FHLMC Refi Possible	C20RP	Conforming 25 Year Fixed Rate- FHLMC Refi Possible	C25RP	Conforming 30 Year Fixed Rate- FHLMC Refi Possible	C30RP
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<b>Eligible Transactions</b>	<p>The Mortgage being refinanced must:</p> <ul style="list-style-type: none"> <li>● Be a first lien, conventional mortgage currently owned by Freddie Mac, in whole or in part, or securitized by Freddie Mac <ul style="list-style-type: none"> <li>○ It can be determined whether a mortgage is owned by Freddie Mac by visiting the <a href="#">Freddie Mac Loan Look-Up</a></li> <li>○ Additionally, Loan Product Advisor® (LPASM) will issue a specific message when a loan is submitted as “RefiPossible” to indicate it is owned by Freddie Mac</li> </ul> </li> <li>● Be seasoned for at least 12 months (the Note date of the mortgage being refinanced must be at least 12 months prior to the Note date of the Refi Possible Mortgage)</li> </ul>										

<b>Loan Requirements</b>	<ul style="list-style-type: none"> <li>● Fixed Rate only</li> <li>● Limited Cash-out Refinance</li> </ul>
<b>Overlays</b>	<ul style="list-style-type: none"> <li>● Refer to the <a href="#">Wholesale Lending   Product Overlay Matrix</a> for any applicable Carinal overlays</li> </ul>

<b>Program Requirements</b>	
<b>New Loan Eligibility</b>	<p>The proceeds of the Refi Possible Mortgage must be used only to:</p> <ul style="list-style-type: none"> <li>● Pay off the first Mortgage</li> <li>● Disburse cash to the Borrower not to exceed \$250</li> </ul> <p>In the event there are remaining proceeds from the Refi Possible Mortgage after the proceeds are applied as described above, the excess proceeds must be applied as a principal curtailment to the Refi Possible Mortgage and must be clearly reflected on the Settlement/Closing Disclosure Statement</p>
<b>Existing Loan Eligibility</b>	<ul style="list-style-type: none"> <li>● The current mortgage must be seasoned at least 12 months by the Note Date of the Refi Possible Mortgage</li> </ul>
<b>Appraisal</b>	<ul style="list-style-type: none"> <li>● Freddie Mac standard selling guide property valuation requirements for appraisal or automated collateral evaluation apply</li> <li>● A \$500 credit will be provided for each qualified transaction when an appraisal is obtained; this must be passed on as a credit to the Borrower</li> </ul>
<b>Assets</b>	<ul style="list-style-type: none"> <li>● When funds required for closing are more than \$500, funds in a depository, securities or retirement account used for closing must be documented with one-month account statement or a direct account verification</li> <li>● When funds required for closing are \$500 or less, verification of funds is not required</li> </ul>
<b>Benefit to Borrower</b>	<p>The refinance transaction must result in both of the following:</p> <ul style="list-style-type: none"> <li>● A First Lien Mortgage interest rate reduction of at least 50 basis points (bps), and</li> <li>● A reduction in the First Lien Mortgage Principal and Interest payment (and Mortgage Insurance where applicable), in any amount</li> </ul>
<b>Borrower Eligibility</b>	<p>Eligible Borrowers</p> <ul style="list-style-type: none"> <li>● U.S. citizens, permanent resident aliens</li> <li>● Non-permanent resident aliens</li> </ul>

	<ul style="list-style-type: none"> <li>● Non-occupant co-borrowers</li> </ul>
<b>Change in Borrowers</b>	<ul style="list-style-type: none"> <li>● The Borrower(s) obligated on the Note for the Refi Possible Mortgage must be the same as the Borrower(s) obligated on the Note for the Mortgage being refinanced, except that a Borrower obligated on the Note for the Mortgage being refinanced may be omitted from the Note for the Refi Possible Mortgage provided that: <ul style="list-style-type: none"> <li>○ 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; or</li> <li>○ In the case of death, the Seller obtains and retains in the Mortgage file documentation of the Borrower's death</li> </ul> </li> <li>● In all cases, at least one Borrower from the Mortgage being refinanced must be retained</li> </ul>
<b>Housing Payment History</b>	<p>The Mortgage being refinanced must have a payment history that indicates the following:</p> <ul style="list-style-type: none"> <li>● The Mortgage has not been 30 days delinquent in the most recent six months; and</li> <li>● The Mortgage has not been 30 days delinquent more than once in the most recent 12 months, and</li> <li>● The Mortgage has not been 60 or more days delinquent in the most recent 12 months</li> </ul> <p>Loan Product Advisor will assess the payment history through the date the Mortgage tradeline was last reported on the credit report used in the Loan Product Advisor assessment. The underwriter is responsible for establishing the payment history between the date the mortgage tradeline was last reported and the Note Date</p>
<b>Income Limits</b>	<ul style="list-style-type: none"> <li>● 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 Premises</li> <li>● To determine if the Borrower's income exceeds the income limits, the Seller must rely on the income used to qualify the Borrower and submitted to Loan Product Advisor</li> <li>● Loan Product Advisor will determine the income eligibility of the Mortgage</li> </ul>

<b>Income and Employment Documentation</b>	The minimum documentation requirements in the table below apply to the referenced income types in lieu of the Streamlined Accept and Standard Documentation Level requirements	
	Income Type	Minimum Documentation Requirements
	Base non-fluctuating employment (primary only)	<ul style="list-style-type: none"> <li>Year-to-date (YTD) paystub documenting the YTD earnings</li> <li>10-day pre-closing verification of employment</li> </ul>
	Fluctuating hourly employment (primary only)  Tip, bonus, overtime and commission income	<ul style="list-style-type: none"> <li>YTD paystub documenting the YTD earnings</li> <li>W-2 for the most recent calendar year</li> <li>10-day pre-closing verification of employment</li> </ul>
	Military income (basic pay, entitlements, Reserve and National Guard income)	Military Leave and Earnings Statement
	Self-employment	<ul style="list-style-type: none"> <li>Complete federal individual and business income tax returns for the most recent one-year period, and</li> <li>Verification of the current existence of the business through a third-party source obtained either no more than 120 calendar days prior to Note Date or after the Note Date but prior to the Delivery Date</li> </ul>
	Alimony, child support or separate maintenance	<ul style="list-style-type: none"> <li>Documentation to evidence receipt of the alimony, child support and/or separate maintenance payment amount for the most recent one months, and</li> <li>Copy of the signed court order, legally binding separation agreement and/or final divorce decree verifying the payor's obligation for the previous one months, including the amount and the duration of the obligation</li> </ul>
	All other income types must be documented in accordance with Freddie Mac Streamlined Accept and Standard Documentation Level requirements	

<p><b>Loan Limits</b></p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="3" style="background-color: #e0e0e0;">2023 Conforming Loan Limits</th> </tr> <tr> <th style="background-color: #002060; color: white;">Units</th> <th style="background-color: #002060; color: white;">Contiguous States</th> <th style="background-color: #002060; color: white;">Alaska and Hawaii</th> </tr> </thead> <tbody> <tr> <td>One</td> <td>\$726,200</td> <td>\$1,089,300</td> </tr> <tr> <td>Two</td> <td>\$929,850</td> <td>\$1,394,775</td> </tr> <tr> <td>Three</td> <td>\$1,123,900</td> <td>\$1,685,850</td> </tr> <tr> <td>Four</td> <td>\$1,396,800</td> <td>\$2,095,200</td> </tr> </tbody> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="3" style="background-color: #e0e0e0;">2024 Conforming Loan Limits</th> </tr> <tr> <th style="background-color: #002060; color: white;">Units</th> <th style="background-color: #002060; color: white;">Contiguous States</th> <th style="background-color: #002060; color: white;">Alaska and Hawaii</th> </tr> </thead> <tbody> <tr> <td>One</td> <td style="color: red;">\$766,550</td> <td style="color: red;">\$1,149,825</td> </tr> <tr> <td>Two</td> <td style="color: red;">\$981,500</td> <td style="color: red;">\$1,472,250</td> </tr> <tr> <td>Three</td> <td style="color: red;">\$1,186,350</td> <td style="color: red;">\$1,779,525</td> </tr> <tr> <td>Four</td> <td style="color: red;">\$1,474,400</td> <td style="color: red;">\$2,211,600</td> </tr> </tbody> </table>	2023 Conforming Loan Limits			Units	Contiguous States	Alaska and Hawaii	One	\$726,200	\$1,089,300	Two	\$929,850	\$1,394,775	Three	\$1,123,900	\$1,685,850	Four	\$1,396,800	\$2,095,200	2024 Conforming Loan Limits			Units	Contiguous States	Alaska and Hawaii	One	\$766,550	\$1,149,825	Two	\$981,500	\$1,472,250	Three	\$1,186,350	\$1,779,525	Four	\$1,474,400	\$2,211,600
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<p><b>Mortgage Insurance (MI)</b></p>	<ul style="list-style-type: none"> <li>● Mortgages with LTV ratios greater than 80% must have mortgage insurance coverage in accordance with Freddie Mac Mortgage Insurance guidance</li> <li>● Mortgage insurance coverage for Refi Possible mortgages is not restricted to the current mortgage insurer on the existing loan. However, LPA will identify the insurer that is currently providing coverage including the mortgage insurer, certificate number and percentage of insurance</li> <li>● A new certificate will be issued, not transferred</li> <li>● Arch, Radian, Essent and MGIC will only issue a new certificate if they hold the existing Mortgage Insurance policy</li> <li>● National MI and Enact (Genworth) will permit a new new Mortgage Insurance policy regardless of who the current policy is with</li> <li>● Enact and MGIC are the only eligible MI providers for single-wide manufactured homes</li> <li>● Program acceptability will be determined by the individual MI provider for credit scores below 620</li> </ul>																																				
<p><b>Occupancy Type</b></p>	<ul style="list-style-type: none"> <li>● Primary residence only</li> </ul>																																				
<p><b>Property Type</b></p>	<p>Eligible Properties</p> <ul style="list-style-type: none"> <li>● 1-Unit Properties</li> <li>● Eligible Condos*</li> <li>● PUDs</li> </ul>																																				

	<ul style="list-style-type: none"> <li>● Manufactured Housing</li> </ul> <p>*Project Review Requirements</p> <ul style="list-style-type: none"> <li>● All project review requirements will be waived for properties located in a condo</li> <li>● The lender must confirm the project is not a condo hotel or motel, houseboat, timeshare or segmented ownership project</li> <li>● Appropriate property and flood insurance must be obtained</li> </ul>
<p><b>Secondary Financing</b></p>	<p>An existing junior lien:</p> <ul style="list-style-type: none"> <li>● Must be subordinated to the Refi Possible Mortgage and must meet Freddie Mac requirements for secondary financing</li> <li>● May be refinanced simultaneously with the existing First Lien provided that: <ul style="list-style-type: none"> <li>○ The unpaid principal balance (UPB) of the new junior lien is not more than the UPB, at the time of payoff, of the junior lien being refinanced,</li> <li>○ There is no increase in the monthly Principal and Interest payment of the junior lien</li> </ul> </li> <li>● No new subordinate financing is permitted, except to replace existing subordinate financing as stated above</li> </ul>
<p><b>Transactions</b></p>	<p>Ineligible Transactions</p> <ul style="list-style-type: none"> <li>● Freddie Mac Relief Refinance Mortgage<sup>SM</sup></li> <li>● Freddie Mac Enhanced Relief Refinance<sup>®</sup> Mortgage</li> <li>● Refi Possible Mortgage</li> <li>● Mortgage subject to an outstanding repurchase request</li> <li>● Mortgage subject to recourse, indemnification, or another credit enhancement other than mortgage insurance (unless the new loan is also subject to credit enhancement or it is no longer required)</li> <li>● Super Conforming Mortgages</li> <li>● Texas Section 50(a)(6)</li> <li>● Temporary interest rate buydowns</li> <li>● RefiNow combined with a HomeReady refinance transaction</li> <li>● Land Contracts</li> <li>● On-frame modular construction</li> <li>● Single wide manufactured homes</li> <li>● Boarding houses</li> <li>● Bed and Breakfast properties</li> <li>● Properties that are not suitable for year-round occupancy regardless of location</li> <li>● Agricultural properties, such as farms or ranches</li> <li>● Properties that are not readily accessible by roads that meet local standards</li> <li>● Vacant land or land development properties</li> <li>● Properties encumbered with Property Assessed Clean Energy (PACE) or Home Energy Renovation Opportunity (HERO) obligations</li> <li>● State-approved medical marijuana producing properties</li> <li>● Properties with water sourced by a river</li> <li>● Properties located on Tribal Lands which include section 184</li> <li>● Hawaiian properties in Lava Zones 1 and 2</li> </ul>

	<ul style="list-style-type: none"> <li>• Properties located in the Department of Hawaiian Home Lands Leasehold (DHHL)</li> <li>• 2-4 unit dwelling</li> <li>• Manufactured home with a Manufactured Home Accessory Dwelling Unit (ADU)</li> </ul>
<b>Underwriting Method</b>	<ul style="list-style-type: none"> <li>• Loans must be underwritten by Loan Product Advisor (LPA)</li> <li>• Manual underwriting is not permitted</li> </ul>

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