



Freddie Mac HFA Advantage[®]
Upfront Paid Mortgage Insurance (UPMI)
Product Description
Combine with Start Up or Step Up

Freddie Mac’s HFA Advantage[®] conventional product allows 97% loan-to-value (LTV) ratios with low mortgage insurance coverage requirements. This product description summarizes Minnesota Housing guidelines, and Freddie Mac and U.S. Bank overlays required for loan eligibility. Lenders are also responsible for meeting all program guidelines ([Start Up](#) or [Step Up](#)), underlying product guidelines (**Freddie Mac Home Possible[®]**) and U.S. Bank overlays.

PARAMETERS	HFA ADVANTAGE [®] REQUIREMENTS			
Eligible Minnesota Housing Programs	HFA Advantage [®] can only be accessed through Start Up or Step Up .			
Loan Terms	<ul style="list-style-type: none"> Fully-amortizing 30-year term Fixed Rate 		<ul style="list-style-type: none"> Purchase Refinance option with Step Up 	
Eligible Occupancy	Owner-occupied			
Mortgage Insurance (MI) Coverage <i>For loans locked prior to 3.2.2020 contact Minnesota Housing</i>	At or below 80% AMI			
	> 95% & ≤ 97%	> 90% & ≤ 95%	> 85% & ≤ 90%	> 80% & ≤ 85%
	18%	16%	12%	6%
	Above 80% AMI			
	> 95% & ≤ 97%	> 90% & ≤ 95%	> 85% & ≤ 90%	> 80% & ≤ 85%
	35%	30%	25%	12%
Eligible Property Types	<ul style="list-style-type: none"> One unit, single-family Modular Home 		<ul style="list-style-type: none"> Condo / Townhome A unit within a Planned Unit Development (PUD) 	
Ineligible Property Types	<ul style="list-style-type: none"> 2-4 Unit Manufactured housing 		<ul style="list-style-type: none"> Co-ops Community Land Trusts (CLT) 	
Income	<ul style="list-style-type: none"> Program Income Limits – refer to Minnesota Housing’s Start Up / Step Up income limits <ul style="list-style-type: none"> Start Up: Do not include non-occupant co-signer income in Program Eligibility Income. See Program Eligibility Income Worksheet for guidance. Step Up: Use qualifying income. Qualifying Income Limits (NEW) - The loan qualifying income (above or below 80% Area Median Income) determines the interest rate and MI requirements. <ul style="list-style-type: none"> See Conventional Income Limits See MI Coverage section above for the required coverage by borrower income level. Include non-occupant co-signer income in the qualifying income used to determine whether the borrower is above or below 80% AMI. 			
Boarder Income	May be allowed. Defer to Freddie Mac Home Possible [®] guidelines.			
Minimum Credit /Maximum DTI	Credit and DTI Matrix			
Maximum LTV/ CLTV	97% /105%			
Downpayment and Closing Cost Loans	START UP		STEP UP	
	<ul style="list-style-type: none"> Deferred Payment Loan (DPL)/DPL Plus Monthly Payment Loan Community Seconds[®] 		<ul style="list-style-type: none"> Monthly Payment Loan Community Seconds[®] 	
Reserves	<ul style="list-style-type: none"> LPA-underwrite: Defer to Freddie Mac Home Possible[®] guidelines. Manual underwrite: See “Manual Underwriting” section on page 2. 			
Interested Party Contributions	Defer to Freddie Mac Home Possible [®] guidelines			
Minimum Borrower Contribution	<ul style="list-style-type: none"> \$1,000 or 1% of the purchase price, whichever is less, if receiving Minnesota Housing downpayment and closing cost loan 			

Homebuyer Education	<ul style="list-style-type: none"> If all borrowers are first-time homebuyers, at least one borrower must complete an approved homebuyer education course prior to closing.
Loan Product Advisor®	<ul style="list-style-type: none"> You must receive an LPA® recommendation of “Risk Class Accept” You may underwrite to Minnesota Housing income limits
Underwriting Guidelines	<ul style="list-style-type: none"> Unless otherwise stated in this product description, refer to Freddie Mac Home Possible® guidelines. Lenders must also follow U.S. Bank overlays. Where the HFA Advantage® guidelines conflict with Home Possible® guidelines, follow the guidelines in this product description.
Manual Underwriting	<p>LTV ≤ 97%</p> <ul style="list-style-type: none"> Required Reserves/ FICO/ DTI vary. See HFA Conventional Product Guide located on the U.S. Bank AllRegs Website HFA Division: <ul style="list-style-type: none"> HFA Division Lending Guide, Section 500: Housing Finance Agency Programs / Minnesota Housing / Product Guides
Non-Traditional Credit	Defer to Freddie Mac Home Possible® guidelines. Max 95% LTV if no borrowers have credit score.
Freddie Mac Delivery Fee	Zero
Investor Feature Identifier (IFI)	LPA® Offering Identifier 251 or choose “Home Possible Advantage for HFAs” (eligible users only)” from drop-down menu
LLPA	Zero LLPA (Loan Level Price Adjustment)

PARAMETERS	UPFRONT PAID MORTGAGE INSURANCE (UPMI) REQUIREMENTS
Qualifying Income Limits	Not allowed for borrowers over 80% AMI. See Conventional Income Limits .
Product Guidelines	Refer to the HFA Advantage® product guidelines above
Minimum Credit Score	Credit and DTI Matrix
Eligible and Ineligible Properties	See Above
Investor Feature Identifier (IFI)	See Above
Service Release Premium (SRP)	Unused UPMI SRP must be credited to the borrower for closing costs. See Examples .