

Freddie Mac's HFA AdvantageSM 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 SM REQUIREMENTS			
Eligible Minnesota Housing Programs	HFA Advantage SM 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	LTV and MI Coverage Percentage			
	> 95% and ≤ 97%	> 90% and ≤ 95%	> 85% and ≤ 90%	> 80% and ≤ 85%
	18%	16%	12%	6%
Eligible Property Types	<ul style="list-style-type: none"> One unit, single-family A unit within a PUD 	<ul style="list-style-type: none"> Condo / Townhome Modular Home 		
Ineligible Property Types	<ul style="list-style-type: none"> Duplexes, triplexes or fourplexes Multi-unit Manufactured housing 	<ul style="list-style-type: none"> Co-ops Community Land Trusts (CLT) 		
Income Requirements	Minnesota Housing's Start Up/Step Up income limits			
Minimum Credit /Maximum DTI	Credit and DTI Matrix			
Maximum CLTV	105%			
Loan Product Advisor[®]	<ul style="list-style-type: none"> You must receive an LPA[®] recommendation of "Risk Class Accept" You may underwrite to HFA income limits 			
Non-Traditional Credit	<ul style="list-style-type: none"> 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 			
Downpayment and Closing Cost Loans	<ul style="list-style-type: none"> Refer to Start Up and Step Up program descriptions 			
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. 			
Reserves	<ul style="list-style-type: none"> AUS-underwrite: May be required. Defer to Freddie Mac Home Possible[®] guidelines. Manual underwrite: See Manual Underwriting section on page 2. 			
Border Income	<ul style="list-style-type: none"> May be allowed. Defer to Freddie Mac Home Possible[®] guidelines. 			
Manual Underwriting	LTV ≤ 95%			
	<ul style="list-style-type: none"> Requires at least one borrower to have an acceptable credit score (see Freddie Mac Home Possible[®] guidelines) Maximum 36% DTI Minimum two months PITI (and association dues, if applicable) reserves after closing (or per Freddie Mac Home Possible[®] guidelines, if greater) 			
	LTV > 95 up to ≤ 97%			
	Not allowed			

PARAMETERS	HFA ADVANTAGE SM REQUIREMENTS
Interested Party Contributions	Defer to Freddie Mac Home Possible [®] guidelines
Special Feature Code (SFC)/ Offering Identifier	<ul style="list-style-type: none"> LPA[®] Offering Identifier 251 or choose “Home Possible Advantage for HFAs (eligible users only)” from drop-down menu
Underwriting Guidelines	<ul style="list-style-type: none"> Unless otherwise stated in this product description or U.S. Bank HFA Division overlays, refer to Freddie Mac Home Possible[®] guidelines. Where the HFA AdvantageSM guidelines conflict with Home Possible[®] guidelines, follow the guidelines in this product description.
Freddie Mac Delivery Fee	Zero
LLPA	Zero LLPA (Loan Level Price Adjustment)
PARAMETERS	UPFRONT PAID MORTGAGE INSURANCE (UPMI) REQUIREMENTS
Product Guidelines	Refer to the HFA Advantage SM product guidelines above.
Minimum Credit Score	Credit and DTI Matrix
Eligible Properties	See Above
Ineligible Properties	See Above
Minnesota Housing Commitment System	<ul style="list-style-type: none"> Under “description,” choose the intended Fannie/Freddie Upfront Paid MI option In the “Other” tab, choose “Freddie” from the drop-down menu
Special Feature Code (SFC)/Offering Identifier	See Above
Service Release Premium (SRP)	Unused UPMI SRP must be credited to the borrower for closing costs. See Examples.