



Freddie Mac HFA Advantage[®] | Upfront Paid Mortgage Insurance (UPMI) | Conventional Cash To Close
Product Descriptions
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 ≤ 90% LTV, contact Minnesota Housing</i>	LTV and MI Coverage Percentage	
	> 95% and ≤ 97% LTV	> 90% and ≤ 95% LTV
	18%	16%
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"> Duplexes, triplexes or fourplexes 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	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	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[®]
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"> LPA-underwrite: May be required. Defer to Freddie Mac Home Possible[®] guidelines. Manual underwrite: See Manual Underwriting section on page 2. 	
Border Income	May be allowed. Defer to Freddie Mac Home Possible [®] guidelines.	
Manual Underwriting	LTV ≤ 95%	LTV > 95 up to ≤ 97%
	<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 Reserves after closing: Minimum two months PITI (<i>and association dues, if applicable</i>), or per Freddie Mac Home Possible[®] guidelines, if greater 	Not allowed

Interested Party Contributions	Defer to Freddie Mac Home Possible® guidelines
Investor Feature Identifier (IFI)	LPA® Offering Identifier 251 or choose “Home Possible Advantage for HFAs”
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 Advantage® 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® 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.

PARAMETERS	CONVENTIONAL CASH TO CLOSE GRANT		
Overview	<ul style="list-style-type: none"> Only available with conventional Freddie Mac HFA Advantage® Unlike our downpayment loans, grants will not need to be paid back. Borrowers can layer other community seconds and our downpayment loans. 		
Grant Procedure Steps	<ol style="list-style-type: none"> To determine if a borrower is eligible for a Cash to Close Grant, refer to the Conventional Income Limits. Use first mortgage loan qualifying income. When entering the loan in Minnesota Housing online commitment system: <ul style="list-style-type: none"> In Product and Pricing Wizard - enter \$2,500 or \$1,500 in the “Grant Amount” on the “Property & Loan Information” screen, or In “Loan Summary” Screen – enter \$2,500 or \$1,500 in the “Grant Amount” in the “Loan Information” section. Complete the Award Letter found in Order Documents or in your company LOS (<i>as applicable</i>). Give a copy of the Award Letter to the borrower. Enter the grant amount in Loan Product Advisor in the “Total Gift Fund” field. Include the grant on the Closing Disclosure on page 3, section L: in lines 1-5. Label the grant “Conventional Cash to Close Grant.” Close in your name and fund the grant. U.S. Bank HFA Division will reimburse the lender at loan purchase. 		
Qualifying income limits by County	≤ 50% AMI	>50% and ≤ 80% AMI	<i>Full amount must be used; partial grants are not allowed.</i>
Grant Amount	\$2,500	\$1,500	
Grant use	Closing costs and downpayment		
Non-first time homebuyers allowed	Yes		
Refinance transactions allowed	No		
Investor Feature Identifier (IFI) Underwriter should indicate code on Underwriting transmittal (1008)	IFI: H56 indicating the loan is a VLIP Mortgage (<=50% AMI)		IFI: H55 indicating the loan is a LIP Mortgage (<=80% AMI)