



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 ≤ 90% LTV, contact Minnesota Housing</i>	Loans Locked Prior to 3.2.2020			
	> 95% and ≤ 97% LTV		> 90% and ≤ 95% LTV	
	18%		16%	
	Loans Locked On or After 3.2.2020			
	At or below 80% AMI		Above 80% AMI	
	> 95% & ≤97%	> 90% & ≤95%	> 95% & ≤97%	> 90% & ≤95%
18%	16%	35%	30%	
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 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	• \$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	• 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. 			
Boarder Income	May be allowed. Defer to Freddie Mac Home Possible [®] guidelines.			
Manual Underwriting	See HFA Conventional Product Guide located on the U.S. Bank AllRegs Website HFA Division Lending Guide, Section 500: Housing Finance Agency Programs / Minnesota Housing / Product Guides.			
Interested Party Contributions	Defer to Freddie Mac Home Possible [®] guidelines			

PARAMETERS	HFA ADVANTAGE® REQUIREMENTS
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.
Income Requirements	Only available to borrowers with qualifying income at or below 80% AMI
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		
Availability	<ul style="list-style-type: none"> Only available for loans with lock dates on or before January 14, 2020. Only available with conventional Freddie Mac HFA Advantage® <p>Please contact the Partner Solutions Team at 651.296.8215 to add or make changes to a grant after January 15 (if loan was locked on or January 14).</p>		
Overview	<ul style="list-style-type: none"> 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. Please contact the Partner Solutions Team at 651.296.8215 to add or make changes to a grant after January 15 (if loan was locked on or before 1/14/20). 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		