

# Freddie Mac HFA Advantage <sup>SM</sup> /Upfront Paid Mortgage Insurance (UPMI)

Combine with Start Up, MCC (with First Mortgage) or Step Up programs



## Product Description

Freddie Mac’s HFA Advantage<sup>SM</sup> conventional product allows 97% loan-to-value (LTV) ratios with low mortgage insurance coverage requirements, and must be layered with a Minnesota Housing Mortgage Loan Program. 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](#), [MCC \(with First Mortgage\)](#) or [Step Up](#)), underlying product guidelines and U.S. Bank overlays. Where terms differ, the more restrictive terms apply.

PARAMETERS	HFA ADVANTAGE <sup>SM</sup> REQUIREMENTS			
Eligible Minnesota Housing Programs	Start Up, MCC (with First Mortgage) and Step Up			
Loan Terms	<ul style="list-style-type: none"> <li>Fully-amortizing</li> <li>30-year term</li> <li>Fixed Rate</li> </ul>			
Eligible Occupancy	Owner-occupied			
Mortgage Insurance	<b>LTV and MI Coverage Percentage</b>			
	> 95% and ≤ 97%	> 90% and ≤ 95%	> 85% and ≤ 90%	> 80% and ≤ 85%
	18%	16%	12%	6%
	Loans with an LTV > 95 up to ≤ 97% must use an MI company posted on U.S. Bank’s Allregs website.			
Eligible Property Types	<ul style="list-style-type: none"> <li>One unit, single-family</li> <li>Planned unit developments (PUD)</li> </ul>		<ul style="list-style-type: none"> <li>Condos (see Allregs for U.S. Bank requirements.)</li> </ul>	
Ineligible Property Types	Duplex, multi-unit, manufactured housing, co-ops, CLT			
Ownership of Property	Borrower may not have an ownership interest in any other residential dwelling at the time of closing. (A manufactured home, regardless of the type of property ownership, is considered a residential dwelling for this purpose. Ownership in a timeshare is not.)			
Income Requirements	Minnesota Housing’s <a href="#">Start Up/MCC/Step Up income limits</a>			
Minimum Credit /Maximum DTI	<a href="#">Credit and DTI Matrix</a>			
Maximum CLTV	105%			
Loan Prospector® (LP®)	You must receive an LP® recommendation of “Risk Class Accept” and you may ignore a “000 Freddie Mac Ineligible” with the only purchase restriction due to income limit requirements (loan must meet HFA income guidelines).			
Desktop Underwriter® (DU®)	<ul style="list-style-type: none"> <li>Must have DU® “Approve/Eligible” recommendation</li> <li><a href="#">Credit and DTI Matrix</a></li> </ul>			
Non-Traditional Credit	Requires manual underwriting			
Manual Underwriting	<b>LTV ≤ 95%</b>			
	<ul style="list-style-type: none"> <li>At least one borrower must have a credit/indicator score of 640 with a Risk Class of Accept</li> <li>Maximum 36% DTI</li> <li>Minimum two months PITI (and association dues, if applicable) reserves after closing (or per underlying product guidelines, if greater)</li> </ul>			
	<b>LTV &gt; 95 up to ≤ 97%</b>			
	Not allowed			
Reserves	AUS-underwrite: Defer to underlying product guidelines Manual underwrite: See Manual Underwriting section above			



PARAMETERS	(continued on back) REQUIREMENTS
<b>Minimum Borrower Contribution</b>	\$1,000 or 1% of the purchase price, whichever is less, if receiving Minnesota Housing downpayment and closing cost loan
<b>Downpayment and Closing Cost Loans</b>	Refer to Start Up, MCC (with First Mortgage) and Step Up program descriptions
<b>Interested Party Contributions</b>	Defer to underlying product guidelines regarding maximum seller contributions
<b>Homebuyer Education</b>	Required of at least one borrower, if <u>all</u> borrowers are first-time homebuyers.
<b>Special Feature Code (SFC)/ Offering Identifier</b>	<ul style="list-style-type: none"> <li>• DU® SFC 741 and SIC 088</li> <li>• LP® Offering Identifier 251 or choose “Home Possible Advantage for HFAs (eligible users only)” from drop-down menu</li> </ul>
<b>Underwriting Guidelines</b>	Unless otherwise stated in this product description or a U.S. Bank MRBP bulletin, refer to Freddie Mac Home Possible® underlying product guidelines.
<b>Conventional Loan Delivery Fees</b>	Zero LLPA (Loan Level Price Adjustment)
PARAMETERS	UPFRONT PAID MORTGAGE INSURANCE (UPMI) REQUIREMENTS
<b>Product Guidelines</b>	Refer to the HFA Advantage <sup>SM</sup> product guidelines contained in this product description. The most restrictive terms apply.
<b>Minimum Credit Score</b>	<a href="#">Credit and DTI Matrix</a>
<b>Non-Traditional Credit</b>	Not allowed
<b>Eligible Properties</b>	Single-family, PUD
<b>Ineligible Properties</b>	Duplex, multi-unit, manufactured housing, co-ops, CLT
<b>Minnesota Housing Commitment System</b>	<ul style="list-style-type: none"> <li>• Under “Allotment Name,” choose “Conventional Insured (+ applicable program name).”</li> <li>• Under “Allocation Name,” choose “Fannie/Freddie Upfront Paid MI” (+ DPA type, if applicable).</li> <li>• In the “Other” tab, choose Freddie from the drop-down menu.</li> </ul>
<b>Special Feature Code (SFC)/Offering Identifier</b>	<ul style="list-style-type: none"> <li>• DU® SFC 741 and SIC 088</li> <li>• LP® Offering Identifier code 251</li> </ul>
<b>Service Release Premium (SRP)</b>	Unused UPMI SRP must be credited to the borrower for closing costs.

