

Submitting Freddie Mac HFA Advantage[®] Mortgage Loans in Loan Product Advisor[®]

ALL FOR HOME


Freddie Mac
Single-Family

July 2020

Select the Correct Product

Depending on your loan origination software (LOS), the HFA Advantage mortgage product may be identified as “HFA Advantage”, “Home Possible Advantage for HFAs”, or the code 251. Select any of these options in the “Offering Identifier” field in your LOS.

The screen shot below is from Loan Product Advisor®.

Mortgage Type And Loan Terms

| | |
|--|--|
| Mortgage Type * Conventional | Amortization Months * 360 |
| Base Loan Amount (exclude PMI, MIP, Funding Fee financed) * \$ 97000.00 | PMI, MIP, Funding Fee Financed \$ 0.00 |
| Amortization Type * Fixed Rate | Loan Amount \$ 97000.00 |
| Lien Priority * First Lien | Interest Rate * 5.125 |
| Offering Identifier HFA Advantage | Temporary Subsidy Buydown? <input type="radio"/> Yes <input checked="" type="radio"/> No |
| Offering Identifier Home Possible Advantage for HFAs (eligible users only) | |

Down Payment Assistance: Amortizing Subordinate Loans

If monthly payments are required and begin before the 61st monthly payment under the first-lien mortgage, these monthly payments must be included in the borrower's monthly housing expense-to-income ratio and monthly debt payment-to-income ratio. Enter the monthly payment in the "Other Financing P&I" field in the "Monthly Housing Expense Breakdown" section of your LOS or Loan Product Advisor.

Monthly Housing Expense Breakdown

SAVE

SUBMIT

Proposed Monthly Housing Expense (for the subject property)

First Mortgage P&I

\$ 528.15

Hazard Insurance

\$ 20.21

Mortgage Insurance

\$ 50.00

Other

\$

CLEAR

Other Financing P&I

\$ 43.80

Real Estate Taxes

\$ 83.33

Homeowner Association Dues

\$

Down Payment Assistance: Amortizing Subordinate Loans, *continued*

In addition to entering the monthly payment in the “Other Financing P&I” field in the “Monthly Housing Expense Breakdown” section, enter the total amount of the amortizing subordinate loan in the “Subordinate Financing” field in the “Details of Transaction” section of your LOS or Loan Product Advisor.

Details Of Transaction

Purchase Price

Estimated Prepaid Items

Alterations, Improvements, Repairs

Estimated Closing Costs

Subordinate Financing

Subordinate Amount


HELOC High Credit Amount

Borrower's Closing Costs Paid by Seller

HELOC Actual Current Balance





Loan Product Advisor Feedback Certificate

The Loan Product Advisor Feedback Certificate will indicate “Eligible” Purchase Eligibility and “Accept” Risk Class upon successful submission of an HFA Advantage loan. |



Loan Product Advisor Feedback Certificate

Evaluation Summary

| | | |
|---|---|--|
| PURCHASE ELIGIBILITY  ELIGIBLE | RISK CLASS  ACCEPT | COLLATERAL R&W* RELIEF  UNAVAILABLE |
| ASSET R&W* RELIEF  UNAVAILABLE | | |

Verify Offering Identifier

In the “Mortgage Information” section of the Loan Product Advisor Feedback Certificate, verify that the “Offering Identifier” field is populated with “HFA Advantage” or “Home Possible Advantage for HFAs”.

| Mortgage Information | | |
|---|---|---|
| PRODUCT TYPE 30 Year Fixed Rate | AMORTIZATION TYPE Fixed | AMORTIZATION MONTHS 360 |
| INTEREST RATE 5.1250% | PURPOSE OF LOAN Purchase | PURCHASE PRICE \$100,000.00 |
| LOAN AMOUNT \$97,000.00 | ESTIMATED VALUE OF PROPERTY \$100,000.00 | APPRAISED VALUE OF PROPERTY N/A |
| PROPERTY TYPE Single Family Detached | INTENDED USE OF PROPERTY Primary Residence | NUMBER OF UNITS 1 |
| AFFORDABLE PRODUCT TYPE N/A | CASH OUT AMOUNT N/A | TEMPORARY SUBSIDY BUYDOWN N/A |
| OFFERING IDENTIFIER HFA Advantage | OR | SALES CONCESSIONS N/A |
| NEW CONSTRUCTION N/A | OFFERING IDENTIFIER Home Possible Advantage for HFAs (eligible users only) | LENDER SUBMITTED RESERVES \$3,255.84 |
| | SUBORDINATE AMOUNT N/A | |
| | PURPOSE OF REFINANCE N/A | |

Verify Income Eligibility

In the “General Messages” section of the Loan Product Advisor Feedback Certificate, review the following messages:

- **Message 81:** verify the borrower’s qualifying income meets the HFA program’s income limits
- **Message K9:** states the area median income (AMI) for the area in which the subject property is located
- **Message D2:** compares the borrower’s qualifying income to the AMI and indicates if it is $\leq 80\%$ AMI or $\leq 50\%$ AMI

General Messages

| CODE | MESSAGES |
|------|---|
| TV | Loan Product Advisor Assessment Expiration Date for JOHN FREDDIE is 09/05/2020. |
| 81 | Only Freddie Mac seller/servicers with a negotiated commitment may deliver HFA Advantage mortgages. Ensure the annual qualifying income (\$34,992.00) falls within the maximum HFA-established income limits. |
| K9 | The Area Median Income (AMI) is (\$71,700.00) for the address submitted. |
| KU | Since there is at least one borrower who is not a First-Time Homebuyer, homebuyer education is required only if specified by the HFA. |
| D2 | Based on the annual qualifying income (\$34,992.00) and the Area Median Income (AMI) (\$71,700.00) where the property is located, the loan meets the housing goal qualifications for a Very Low-Income Purchase (VLIP) since the income is at or below 50% AMI (\$35,850.00). Additionally, the loan meets the Low-Income Purchase (LIP) housing goal which requires income of less than or equal to 80% AMI (\$57,360.00). |

Verify Homebuyer Education Requirements

In the “General Messages” section of the Loan Product Advisor Feedback Certificate, **Message KU** prompts you to verify the HFA’s homebuyer education requirements are met before loan closing.

General Messages

| CODE | MESSAGES |
|-----------|---|
| TV | Loan Product Advisor Assessment Expiration Date for JOHN FREDDIE is 09/05/2020. |
| 81 | Only Freddie Mac seller/servicers with a negotiated commitment may deliver HFA Advantage mortgages. Ensure the annual qualifying income (\$34,992.00) falls within the maximum HFA-established income limits. |
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Verify Down Payment Assistance

In the “Assets & Reserves” section of the Loan Product Advisor Feedback Certificate, review the following messages:

- If applicable, **Message B8** identifies the amount of DPA entered in the “Total Gift Fund” field and any documentation required for the loan file
- If applicable, **Message NW** prompts you to obtain from the HFA documentation evidencing the DPA entered in the “Total Gift Fund” field
- If applicable, **Message GS** prompts you to verify borrower funds and subordinate financing

Assets & Reserves

G0 This loan was submitted with \$3,276.00 in depository accounts (checking, savings and/or money market).

3X Document the source of funds for any single deposit that exceeds \$1,458.00, which is 50% of the total monthly qualifying income OR reduce the asset amount by the unverified deposit and resubmit.

CN Depository accounts: For each account (checking, savings, money market, CDs, and other depository accounts) used to qualify the borrower, obtain an account statement covering a 1-month period or a direct verification.

B8 Loan was submitted with \$5000.00 in gift funds. For Gift/Gift of Equity from Related Person, obtain gift letter per Guide Section 5501.3. Provide evidence of transfer of gift funds from the donor's account to the Borrower's, or from the donor's account to the closing agent. A Gift of Equity must appear on Settlement/Closing Disclosure Statement. For wedding gift requirements, refer to Guide Section 5501.3.

NW For gift or grant from an Agency: obtain documentation establishing funds were provided by an Agency with an established gift/grant program, that the funds do not have to be repaid and were received by the borrower or by the Seller on the borrower's behalf. Examples of acceptable documentation include copies of grant program materials, award letters or terms and conditions provided to the borrower.

GS Required Borrower Funds are calculated as \$0.00 based on information submitted: purchase price (\$100,000.00) + alterations, improvements and repairs (\$0.00) - loan amount (\$97,000.00) + transaction costs (\$0.00) - proceeds from subordinate financing (\$5,000.00).

Verify Reserves

In the “Assets & Reserves” section of the Loan Product Advisor Feedback Certificate, review the following messages:

- If applicable, **Message G0** indicates the amount entered as Reserves (remember: although not required, Reserves are a compensating factor in Loan Product Advisor decisions)
- If applicable, **Message CN** prompts you to obtain account statements documenting the Reserves for the loan file

Assets & Reserves

G0 This loan was submitted with \$3,276.00 in depository accounts (checking, savings and/or money market).

3X Document the source of funds for any single deposit that exceeds \$1,458.00, which is 50% of the total monthly qualifying income OR reduce the asset amount by the unverified deposit and resubmit.

CN Depository accounts: For each account (checking, savings, money market, CDs, and other depository accounts) used to qualify the borrower, obtain an account statement covering a 1-month period or a direct verification.

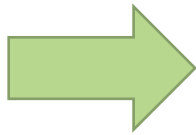
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Mortgage Insurance: Feedback Messages

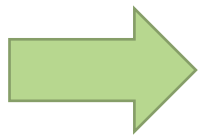
Mortgage Insurance & Fees

Identify MI
Options Based
on AMI



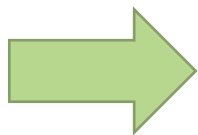
CODE MESSAGES

ZI This HFA Advantage mortgage requires 18% MI coverage when the borrower's income is less than or equal to 80% of Area Median Income and 35% MI coverage when the borrower's income is greater than 80% of AMI. Refer to the HFA's website and/or program guidelines for other MI options that may be available when the borrower's income is greater than 80% of AMI.



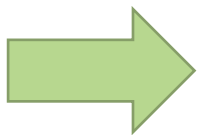
CODE MESSAGES

WI This HFA Advantage mortgage requires 16% MI coverage when the borrower's income is less than or equal to 80% of Area Median Income and 30% MI coverage when the borrower's income is greater than 80% of AMI. Refer to the HFA's website and/or program guidelines for other MI options that may be available when the borrower's income is greater than 80% of AMI.



CODE MESSAGES

9I This HFA Advantage mortgage requires 12% MI coverage when the borrower's income is less than or equal to 80% of Area Median Income and 25% MI coverage when the borrower's income is greater than 80% of AMI. Refer to the HFA's website and/or program guidelines for other MI options that may be available when the borrower's income is greater than 80% of AMI.



CODE MESSAGES

8I This HFA Advantage mortgage requires 6% MI coverage when the borrower's income is less than or equal to 80% of Area Median Income and 12% MI coverage when the borrower's income is greater than 80% of AMI. Refer to the HFA's website and/or program guidelines for other MI options that may be available when the borrower's income is greater than 80% of AMI.

Submitting Freddie Mac HFA Advantage[®] Mortgage Loans in Loan Selling Advisor[®]

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Required ULDD Data Points

Seller must deliver the ULDD data points required for Home Possible® mortgages in accordance with Guide Sections 6302.14 and 6302.34: *Special delivery requirements for Home Possible Mortgages.*

In addition, Seller must deliver the following ULDD data points as applicable:

| ULDD Data Point | Valid Value | Notes |
|---|---|--|
| Loan Program Identifier | HFA Advantage or Home Possible Advantage for HFAs | Value in LPA 5.0 is “HFA Advantage” Value in older LOS versions is “Home Possible Advantage for HFAs” |
| Loan Affordable Indicator Located in Product Information | True | Enter “True” for HFA Advantage or Home Possible Advantage for HFAs |
| Investor Feature Identifier | G18 | Enter this value for mortgages with down payment assistance entered in the “Total Gift Fund” field |
| Loan Affordable Indicator Located in “Secondary Financing/Related Loan Information” Section | True | Enter “true” to identify down payment assistance as an Affordable Second |

Loan Selling Advisor Product Details

View Loan
Closing



Product Information

Product Details

Lien Priority Type:

First Lien

Mortgage Type:

Conventional

Section Of Act Type:

Interest Calculation Type:

Simple

Interest Calculation Period Type:

Month

Payment Frequency Type:

Monthly

Balloon Indicator:

False

Loan Affordable Indicator:

True

Loan Amortization Type:*

Fixed

Loan Amortization Period Type:

Month

DELIVERED VALUES

Notice: Although Seller is required to calculate and deliver this value, which will be maintained by the Loan Selling Advisor, Freddie Mac will recalculate such value and use such recalculated value for all loan eligibility and pricing decisions.
[Calculated Values](#)

Loan Amortization Period Count:

360

Loan Selling Advisor Product Details, *continued*

In the “Product Details” section of Loan Selling Advisor:

- Select “Home Possible Advantage HFA” from the drop-down menu to populate the “Loan Program Identifier” field
- Enter all applicable “Investor Feature Identifier” (IFI) codes

The screenshot displays the 'Product Details' section of the Loan Selling Advisor interface. At the top, there is a light blue header with a toggle icon and the text 'Product Details'. Below this, a light blue box contains the text 'LOAN PROGRAM IDENTIFIER'. Underneath, the label 'Loan Program Identifier:' is followed by a small square icon and a dropdown menu currently showing 'Home Possible Advantage HFA'. Below the dropdown are two buttons: 'ADD LOAN PROGRAM IDENTIFIER' and 'REMOVE SELECTED'. Further down, the label 'Refinance Program Identifier:' is followed by a greyed-out dropdown menu. At the bottom, the label 'Investor Feature Identifier:' is followed by two rows of five empty input boxes each.

Down Payment Assistance: Grants/Gifts and Forgivable or Deferred Subordinate Loans

If the down payment assistance provided is structured as an Affordable Second that *doesn't require a payment within the first 60 months* and was entered in the “Total Gift Fund” field of your LOS or Loan Product Advisor:

- Enter G18 in one of the “Investor Feature Identifier” fields in the “Product Details” section of Loan Selling Advisor (see previous page)
- Select “Second Lien” from the drop-down menu in the “Lien Priority Type” field in the “Secondary Financing/Related Loan Information” section of Loan Selling Advisor
- Enter the down payment assistance amount in the “Current UPB Amount” field

Refer to Guide Section 4204.2: Special requirements for Affordable Seconds.

☐ Secondary Financing/Related Loan Information

Related Loan 1 ✕

Lien Priority Type:

Mortgage Type:

CLOSED-END SECOND

Current UPB Amount:

Loan Affordable Indicator:

☐ HELOC Details HELOC Indicator:

Reserves

If applicable, divide the amount in the “Lender Submitted Reserves” field in Loan Product Advisor by the “Total Monthly Proposed Housing Expense Amount” in the “Additional Underwriting Details” section of Loan Selling Advisor and round down to the nearest number of full month(s). Enter this figure in the “Borrower Reserves Monthly Payment Count” field.

Mortgage Information

PRODUCT TYPE
30 Year Fixed Rate

AMORTIZATION TYPE
Fixed

AMORTIZATION MONTHS
360

INTEREST RATE
5.1250%

PURPOSE OF LOAN
Purchase

PURCHASE PRICE
\$100,000.00

NEW CONSTRUCTION
N/A

PURPOSE OF REFINANCE
N/A

LENDER SUBMITTED RESERVES
\$3,255.84

Additional Underwriting Details

Total Monthly Income Amount:

\$ 2916

Total Monthly Proposed Housing Expense Amount:

\$ 681

Borrower Reserves Monthly Payment Count:

4

Total Liabilities Monthly Payment Amount:

\$ 1203

Total Mortgaged Properties Count:

1

$\$3,255 \div \$681 = 4.78$, or
4 monthly payments in reserves

Additional Assistance

Call 800-FREDDIE (800-373-3343)

You'll hear the following prompts:

“If you are a Freddie Mac approved Seller/Servicer or a Business Partner, **please press 1.**”

“For underwriting guideline support, **please press 1.**”

“For affordable lending, HFA Advantage, or Home Possible, **please press 1.**”

“Please enter your six-digit Seller/Servicer number or seven-digit third party originator number, followed by the pound sign.”