



FREDDIE MAC HFA ADVANTAGE® MORTGAGE

Housing Finance Agency Conventional Loan Product

(October 1, 2023)

Loan Product Advisor® (LPASM)

Parameters	Program Requirements
<p>Pricing Terms</p> <p>*NOTE: MFA has <u>two</u> separate allocations; one for borrowers at or below 80% AMI and another for borrowers above 80% AMI.</p>	<ul style="list-style-type: none"> • Credit Fees in Price (aka delivery fees) see Exhibit 19 in the Freddie Mac Guide. • Reserve in the appropriate MFA allocation based upon <i>total qualifying income</i>, as compared with Home Possible® limit posted on FHLMC AMI lookup tool for subject property address. (See income section below for link and more information). <p>*NOTE: Certain MI Credit Fees in Price may still apply.</p>
<p>Eligible MFA programs</p>	<ul style="list-style-type: none"> • <u>FirstHome & HomeForward</u>: 30-year, fixed rate, fully amortizing
<p>Eligible Borrowers</p>	<ul style="list-style-type: none"> • <u>FirstHome Program</u>-First-time homebuyers only • <u>HomeForward Program</u>- Not required to be a first-time homebuyer
<p>Eligible Occupancy</p>	<ul style="list-style-type: none"> • Owner-occupied principal residence

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Ownership of another residential dwelling	<ul style="list-style-type: none"> Borrower may own one other <i>financed</i> property*, as long as the HFA Advantage mortgage being sold to FHLMC is the borrower's principal residence. (MFA program rules and first-time buyer definition still apply for borrowers using FirstHome.) <p>*NOTE: Borrower may have <u>only one MFA loan outstanding</u> at a time.</p>
Co-Signers	<ul style="list-style-type: none"> Not Allowed
Eligible Purpose	<ul style="list-style-type: none"> Purchase of primary residence
Loan Product Advisor® (LPA)	<ul style="list-style-type: none"> HFA Advantage is available through LPA. Loans with "Accept" Risk Class are eligible for sale. <p>Qualifying ratios must meet current MFA guidelines.</p> <ul style="list-style-type: none"> Reserves not required, unless stipulated by LPA (i.e., may be required as a compensating factor.)
Manufactured Home Underwriting	<ul style="list-style-type: none"> Mortgages secured by manufactured homes must have LPA "Accept". Manual Underwriting not permitted. <p>*NOTE: Manual Underwriting guideline is a Contract Service Provider overlay</p> <ul style="list-style-type: none"> LTV= 95%; TLTV = 95% <p>(LTV = loan to value; TLTV= total loan to value)</p>
Manual Underwriting (LPA)	<ul style="list-style-type: none"> Not Permitted <p>*NOTE: Manual Underwriting guideline is a Contract Service Provider overlay</p>
Use of Freddie Mac Automated Underwriting System "Loan Product Advisor" (LPA SM)	<ul style="list-style-type: none"> Run AUS using LPA* <p>*NOTE: MFA will not accept AUS from Desktop Underwriter (DU) for Freddie Mac loans</p>

Parameters	Program Requirements
<p>Maximum LTV/TLTV</p> <p>(LTV=loan to value; TLTV=total loan to value)</p>	<ul style="list-style-type: none"> • One Unit Stick-Built Home: 97% LTV / 105% TLTV • One Unit Manufactured Home: 95% LTV / 95% TLTV
<p>Minimum Borrower Contribution</p>	<ul style="list-style-type: none"> • None required by FHLMC or MFA
<p>Subordinate Financing</p> <p>(Guide Section 4204.2)</p>	<p>Affordable Seconds® only</p> <ul style="list-style-type: none"> • MFA Products: <i>FirstDown</i>, <i>HomeNow</i> or <i>HomeForward</i> DPA, as available.
<p>Donated Gift and Grant Funds or Community Seconds</p>	<ul style="list-style-type: none"> • Nonprofit organizations or public agencies are acceptable providers of donated gift and grant funds or Affordable Seconds® used to fund all or part of the down payment and closing costs • The gift, grant funds or Affordable Seconds® must meet all other Guide requirements. • Maximum of three DPA sources allowed. Non-MFA DPA loans must be subordinate to all MFA loans.
<p>Eligible Property Types</p>	<ul style="list-style-type: none"> • Single Family Dwelling • Planned Unit Development (PUD) • Approved Condominiums • Townhomes • Single or multi-section manufactured home that meet standard Guide requirements
<p>Ineligible Property Types</p>	<ul style="list-style-type: none"> • Co-Ops • Multi-family
<p>Minimum Credit Score</p>	<ul style="list-style-type: none"> • Per MFA Program 620 <p>*NOTE: Manual Underwriting guideline is a Contract Service Provider overlay</p>

Parameters	Program Requirements
<p>Income Requirement (Determination of under or over 80% AMI)</p>	<ul style="list-style-type: none"> • Use lookup tool, look for Home Possible® limit, which is 80% AMI, according to FHLMC. • If <i>total qualifying income</i> is within this limit, borrower is considered 80% AMI and eligible for reduced MI. All other borrowers are considered above 80% AMI. <p>*NOTE: When using MFA's low-income DPA programs, such as HomeNow, lenders must still follow the program-specific chart(s) posted on MFA's website. All MFA program income limits still apply.</p> <p>Link to lookup tool: https://sf.freddiemac.com/working-with-us/affordable-lending/home-possible-eligibility-map</p>
<p>Acquisition Cost/Purchase Price Requirement</p>	<ul style="list-style-type: none"> • FirstHome Acquisition Cost Limits or HomeForward Purchase Price limits which are posted on the MFA website at www.housingnm.org <p>*NOTE: Must follow lower purchase price limits when using certain MFA DPA programs (i.e., HomeNow when available.)</p>
<p>Mortgage Insurance Requirements for borrowers that meet 80% AMI (PER SPECIAL LPA MESSAGING):</p> <p>*NOTE: All other borrowers are required to have standard 35% coverage</p>	<ul style="list-style-type: none"> • 18% for LTV's > 95% and <= 97% • 16% for LTV's > 90% and <= 95% • 12% for LTV's > 85% and <= 90% • 06% for LTV's > 80% and <= 85% • *NOTE: Some lenders may need custom MI for AMI miscalculations. See Exhibit 19 in the Freddie Mac Guide.
<p>Alternative Credit</p>	<ul style="list-style-type: none"> • Not Acceptable <p>*NOTE: Manual Underwriting guideline is a Contract Service Provider overlay</p>
<p>Interested Party Contributions</p>	<p>Per the Guide 5501.5 standard requirements apply:</p> <ul style="list-style-type: none"> • 03% Maximum for LTV/TLTV > 90% • 06% Maximum for LTV/TLTV > 75% - ≤ 90%

Parameters	Program Requirements
Homebuyer Education	<ul style="list-style-type: none"> • eHome America: Available through MFA website at https://www.ehomeamerica.org/nmmfa; or HUD approved face-to-face agency. • MFA requires ALL first-time homebuyers to take homebuyer education. • Must follow AUS findings in cases where requirements are more stringent than those of MFA.
Temporary buydowns	<ul style="list-style-type: none"> • Not currently allowed by MFA.

It is at MFA's sole discretion to amend the provisions of this Term Sheet from time to time. Changes may occur at any time. Always refer to the MFA website www.housingnm.org for the most current HFA Advantage Term Sheet. Underwriting guidelines may be found in the Freddie Mac *Selling Guide*: <https://guide.freddie.mac.com>