

Enhanced Purchasing Power with Fannie Mae and Freddie Mac Low Downpayment Programs

Fannie Mae and Freddie Mac's high LTV loan programs make it easier for your borrowers to qualify for a low downpayment loan... and Radian makes it even more affordable. Our coverage options under these programs can mean big savings for your qualifying borrowers.

Program	Financing Flexibility for Lower-income Borrowers		Financing Flexibility for First-time Borrowers	
	Fannie Mae HomeReady®	Freddie Mac Home Possible®	Fannie Mae 97% LTV Program	Freddie Mac Home One®
First-time Homebuyer	Not required		At least one borrower must be a first-time homebuyer for purchase transactions	
Loan Purpose	Purchase, Rate/Term Refinance		Purchase, Rate/Term Refinance	
Property Type	1–4 Unit Properties, Manufactured Housing		1 Unit Property	
1 Unit LTV/CLTV	Fixed 97% / 105%		Fixed 97% / 105%	
2 Unit LTV/CLTV	Fixed, ARM 85% / 105%	Fixed, ARM 85% / 95%	Ineligible	
3–4 Unit LTV/CLTV	Fixed, ARM 75% / 105%	Fixed, 85% / 95% , ARM 75%	Ineligible	
Manufactured Housing	Fixed, ARM 95% / 95%		Ineligible	
FICO	620		620	
LLPA's	Waived with LTV >80% and FICO ≥ 680 Max LLPA — 1.5		Normal LLPA's apply	
Occupancy	Must be owner occupied		Must be owner occupied	
Non-Occupant Co-borrower	Eligible to max 95% LTV with AUS Approve, Accept/ Eligible		Ineligible	
Income Limits	80% of area median income (AMI),		No income limits	
Minimum Borrower Contribution	1 unit purchase — none required 2–4 units — 3%		1 unit purchase — none required	
Acceptable Sources of Funds for DP and Closing Costs	Gifts, Grants, Employer Programs, Community Seconds, Cash on Hand, Sweat Equity		Gifts, Grants, Employer Programs, Community Seconds	
Multiple Financed Properties	Occupant borrowers may own one other financed residential property		Standard multiple financed properties guidelines apply to non-first-time homebuyers on the loan	
Temprary Buydowns	Allowed	Allowed for mortgages secured by 1-2 Unit properties, other than manufactured homes	Allowed	
Mortgage Insurance	> 90% LTV, 25% coverage < 90% LTV, standard coverage		> 95% LTV, 35% coverage < 95% LTV, standard coverage	
Boarder Income	Allowed		Allowed for borrowers with disabilities	Not allowed
Homeownership Education	For purchase transactions, if all borrowers are first-time homebuyers, then at least one borrower must complete Homeownership Education		For purchase transactions, if all borrowers are first-time homebuyers, then at least one borrower must complete Homeownership Education	
MCC	Allowed		Allowed	

