



Wholesale | Non-Delegated Correspondent Home Possible

10/22/2026

This At-A-Glance (AAG) is a summary tool to use in conjunction with Averra (Guide). The AAG does not replace the published Guide. Where the AAG is silent or conflicts with the published Guide, the Guide will govern and control. This AAG applies only to the channel and investor program indicated. For each Agency and/or Program, there may be additional AAGs to cover specific products or transactions.

Matrix Eligibility: Standard				
Freddie Mac Home Possible ¹ Primary Residence Standard Conforming ² (High Balance Not Permitted) LPA Only: Accept/Eligible as Home Possible				
Type	Units	Conforming ² LTV/CLTV/HCLTV	Credit Score ⁴	DTI
Purchase / Rate-Term	1	97% ³	580 ⁵	Per AUS
	2	95%		
	3-4	85%		
	1 (Manufactured)	95%		

¹ 30 year fixed only
² Standard conforming loan limits (High Balance not permitted)
³ Non-occupying co-borrower permitted with: Max 95% LTV/CLTV/HCLTV; 1-unit property
⁴ Credit Score <620 Internal Exception Code 1033.00 applies
⁵ Min Credit Score 600 for LTV > 80%
 • Cash-out refinances are ineligible.

Mortgage Insurance (MI) Coverage				
Follow the LPA feedback certificate for required Home Possible standard MI coverage.				
Construction & Term (Years)	LTV Ratio			
	> 80% ≤ 85%	> 85% ≤ 90%	> 90% ≤ 95%	> 95% ≤ 97%
Site Built and ≤ 20	6%	12%	25%	25%
Site Built and > 20	12%	25%	25%	25%
MFH: Any Term	12%	25%	NA	NA

Program Summary	
The Home Possible Mortgage offers underserved qualified borrowers low down payment options and other special underwriting features. Must be a purchase or a rate/term refinance, cash-out refinances are ineligible.	
Underwriting Method	- All loans must be run through LPA and receive an 'Accept/Eligible' recommendation as a Home Possible mortgage. - If a loan has not been underwritten as Home Possible, LPA will notify the user when a loan casefile appears to be eligible based on the census tract and borrower income, must resubmit as Home Possible to correct the AUS findings. - Home Possible underwriting will follow general Freddie Mac Guidelines for documentation unless specifically addressed in this section. - DU/DO is not permitted. - Manual underwriting is not permitted.
Borrower Eligibility & Income Limits	- Borrower is not required to be a first-time homebuyer. - Primary borrower must occupy as primary residence. - Occupant borrower may be obligated on one additional financed residential property as of the note date. - When determining the Borrowers' qualifying income for Home Possible Mortgages, the Borrowers' base earnings must be considered for both non-fluctuating and fluctuating employment earnings before any additional employment earnings (e.g., bonus, commission, overtime, tips) may be considered. - Income from all borrowers used for qualification must not exceed 80% of the Area Median Income (AMI) for the property location. - LPA will determine if the qualifying income is within the eligibility limit for the property census tract. - Only the Freddie Mac published AMI version is valid for the Home Possible Program. Averra may not use other published Area Median Income versions. Averra may use the Home Possible Income & Property Eligibility tool found on the Freddie Mac Area Median Income Lookup Tool.
Non-Occupant Borrower	- Permitted when the mortgage is secured by a 1-unit property. - Funds used to qualify for the mortgage may come from either borrower.
Homebuyer Education	- If all borrowers are first-time homebuyers, at least one qualifying borrower must participate in a homebuyer education program administered by a non-interested party to the transaction before the note date. - A copy of the acceptable homebuyer education certificate or equivalent document must be retained in the mortgage file. - Homebuyer education is not required for refinance transactions. - Home Ownership Education and Housing Counseling section of Guide Form 1103, Supplemental Consumer Information Form (SCIF), should be completed for any transaction where homeownership education is required.
Landlord Education: Purchase Transaction	- For purchase transactions of a 2 to 4-unit primary residence, at least one qualifying borrower must participate in a landlord education program administered by a non-interested party to the transaction before the note date. - A copy of the acceptable Landlord Education Certificate or equivalent document must be retained in the mortgage file. - Landlord education not required for refinance transactions.
Homebuyer Education	CreditSmart
Rental Income From 1-Unit Primary Residence	May be considered when received from a live-in aide or another individual with acceptable documentation. ADU Rental income must meet ADU requirements in guideline Section 1115 Improvements in addition to the below: - Only rent paid directly to borrower for the past 12 months may be considered. - The person providing the rental income has resided with the borrower for at least one year and will continue residing together. - This person must not be obligated on the mortgage or have an ownership interest in the subject property and cannot be the borrower's spouse or domestic partner.

	• Proof of the person's history of shared residency (such as a copy of a driver's license, bills, bank statements, or W-2 forms) that shows the boarder's address as being the same as the borrower's address. • The rental income does not exceed 30% of total qualifying income. • Verify receipt of regular payments for at least 9 of the past 12 months. • Qualifying income must be averaged over 12 months, even if fewer payments are documented. • Borrower provides a written statement affirming: ○ The source of the rental income; ○ That the person has resided with borrower for the past year; AND ○ Intends to continue residing with borrower. • Internal Exception Code 1017.00.
Rental Income From 2-4 Unit Primary Residence	Must meet Freddie Mac Section 5306.1(e), see Freddie Mac Single-Family Seller/Servicer Guide .
Source of Funds for Down Payments, Closing Costs and Reserves	Minimum Borrower Contribution: • 1-unit: No minimum • 2 to 4-unit: 3% with LTV/TLTV/HTLTV > 80% • Funds may come from acceptable sources as listed in Section 800 Asset Assessment of the Guide. • Sweat equity and cash on hand are not permitted.
Subordinate Financing	• Secondary financing allowed up to the maximum TLTV ratio. • When the TLTV exceeds 97%, the secondary financing subordinated to a Home Possible Mortgage must be an Affordable Second meeting Freddie Mac's special requirements. • The Affordable Second financing may not be a HELOC.
Temporary Buydowns	• Eligible: 1-0, 2-1 and 3-2-1 • Purchase transactions, 30-year fixed, primary residence • Paid by the lender, seller, builder or an interested third party (not the borrower or Averra) • Qualify at the note rate; buydown funds count toward interested party contribution limits
VLIP Credit Eligibility	VLIP Credit Requirements: To qualify for the Very Low Income Purchase (VLIP) credit of \$2,500 on a Home Possible loan, borrowers must meet specific income criteria: Eligible Borrowers • At least one borrower must be a first-time homebuyer. Mortgage Purpose • Purchase only. Income Threshold Eligibility • The borrower's income must not exceed 50% of the Area Median Income (AMI) based on the subject property's address. ○ This income limitation must be verified through Freddie Mac's Loan Product Advisor (LPA) findings. Verification Process • Run the LPA findings. • Once complete, review the findings to confirm the borrower's income meets the 50% AMI requirement. • Ensure that the loan is correctly marked as Home Possible within the LPA findings. Applying the VLIP Credit • After confirming eligibility, add the VLIP credit by accessing the URLA > Loan and Property Information > Gifts or Grants page. • Internal Exception Code 1017.00. <i>The full amount of the Home Possible VLIP Mortgages Credit must be applied to the borrower's down payment and/or closing costs (may be used to offset the 3% contribution due from borrower personal funds as required).</i>

An underwriter may require additional documentation. Averra has sole discretion for the final underwriting decision. See Averra Conforming Guidelines Section 202 for full program requirements.

Need Help?

Please connect with your dedicated Sr. Account Executive for support throughout the loan process!

Scenarios: scenarios@averrafi.com