

# HomeReady VS Home Possible VS Home Possible Advantage



|                            | HomeReady   | Home Possible   | Home Possible Advantage   |
|----------------------------|---|---|---|
| Minimum FICO               | 620   | 620   | 620   |
| Max LTV/CLTV               | 97%   97%   | 95%   95%   | 97%   97%   |
| Max DTI                    | Determined by DU- typically 45%   | Determined by LP- typically 45%   | Determined by LP- typically 45%   |
| Occupancy                  | Primary Residence Only  | Primary Residence Only  | Primary Residence Only  |
| Eligible Property          | 1 Unit Only - SFR, Condo, & PUDS  | 1 - 4 Units, SFR, Condo, PUDS   | 1 Unit Only - SFR, Condo, & PUDS  |
| Transaction Type           | Purchase & Rate-Term Refi   | Purchase & Rate-Term Refi   | Purchase & Rate-Term Refi   |
| Max Seller Concessions     | 3.0%  | 3.0%  | 3.0%  |
| Real Estate Ownership      | Borrowers <b>allowed</b> to own other property  | Borrowers <b>CANNOT</b> own other property  | Borrowers <b>CANNOT</b> own other property  |
| Gifts                      | Gifts allowed for down payment, closing costs, and reserves. No Borrower minimum.   | Gifts allowed for down payment, closing costs, and reserves. No Borrower minimum except 2 - 4 units require 3.0% Borrower minimum.              | Gifts allowed for down payment, closing costs, and reserves. No Borrower minimum investment                                   |
| Reserves                   | None  | None for 1 Unit, 2 months for 2 - 4 Units   | None  |
| Cash on Hand               | Allowed with restrictions   | Not Allowed   | Not Allowed   |
| Income Limits              | No Income Limits in Underserved Areas.  | No Income Limits in Underserved Areas.  | No Income Limits in Underserved Areas.  |
| Income Limits Look up tool | <a href="https://homeready-eligibility.fanniemae.com/homeready/">https://homeready-eligibility.fanniemae.com/homeready/</a> | <a href="http://www.freddiemac.com/homepossible/eligibility.html">http://www.freddiemac.com/homepossible/eligibility.html</a>                   | <a href="http://www.freddiemac.com/homepossible/eligibility.html">http://www.freddiemac.com/homepossible/eligibility.html</a> |
| Boarder Income             | Allowed with restrictions   | Allowed with restrictions   | Allowed with restrictions   |
| Non Occupant Co-Borrowers  | Allowed up to 95% LTV. Add all borrower's income together - cannot exceed Income Limits                                     | Not allowed   | Not allowed   |
| Bankruptcy 7,11,13         | Discharged 48 months  | Discharged 48 months  | Discharged 48 months  |
| Foreclosure/ Deed in Lieu  | Settled 48 months   | Settled 48 months   | Settled 48 months   |
| Home Buyer Education       | At least one borrower must complete Home Buyer Counseling by HUD Approved Counselor.  | <b>1<sup>st</sup> Time Buyers</b> - At least one borrower must complete Home Buyer Counseling. 2 - 4 Unit properties require Landlord Education | <b>1<sup>st</sup> Time Buyers</b> - At least one borrower must complete Home Buyer Counseling.                                |
| Home Buyer Ed URL          | <a href="https://www.knowyouroptions.com/framework">https://www.knowyouroptions.com/framework</a>                           | <a href="http://www.freddiemac.com/creditsmart/">http://www.freddiemac.com/creditsmart/</a>   | <a href="http://www.freddiemac.com/creditsmart/">http://www.freddiemac.com/creditsmart/</a>                                   |
| Manual Underwriting        | Not Allowed   | Not Allowed   | Not Allowed   |
| MI Coverage                | 25% over 90% LTV, standard rates below 90%  | 25% over 90% LTV, standard rates below 90%  | 25% over 90% LTV, standard rates below 90%  |
| MISC                       | 30 Year Fixed Rate Mortgage Only  | 30 Year Fixed Rate Mortgage Only  | 30 Year Fixed Rate Mortgage Only  |

