

LP Relief Refinance 6215

Key Features

- Maximum LTV ratio up to 125 percent. Minimum LTV is 105.01%
- No maximum TLTV/HTLTV ratios
- Must be submitted to Loan Prospector
- No Minimum FICO score

MORTGAGE BEING REFINANCED ELIGIBILITY REQUIREMENTS

General Eligibility Requirements	<ul style="list-style-type: none"> • The mortgage being refinanced must: <ul style="list-style-type: none"> ○ Be a first-lien, conventional mortgage currently owned or securitized by Freddie Mac. ○ Have a Note date on or before May 31, 2009. • The Servicer of the mortgage being refinanced may be any Freddie Mac-approved Servicer. • If the mortgage being refinanced was considered for and/or received a Freddie Mac modification, it is eligible to be refinanced as a Relief Refinance Mortgage. • If the mortgage being refinanced has recourse, indemnification, or other credit enhancements defined in Guide Chapter B24, it is ineligible to be refinanced as a Relief Refinance Mortgage – Open Access and will receive an ELV 64 message code in Loan Prospector indicating that the loan is ineligible.
Mortgage Payment History	<ul style="list-style-type: none"> • No 30 day or more delinquencies in the past 12 months.
Effective Dates	<ul style="list-style-type: none"> • The mortgage being refinanced must have a Note date on or before May 31, 2009

RELIEF REFINANCE MORTGAGE-OPEN ACCESS ELIGIBILITY REQUIREMENTS

Borrower Benefit	<p>The Relief Refinance Mortgage must result in at least one of the following:</p> <ul style="list-style-type: none"> • Reduction in the interest rate of the first-lien mortgage. • Replacement of an ARM, Initial Interest® Mortgage (or any mortgage with an interest-only period) or a balloon/reset mortgage with a fixed-rate, fully amortizing mortgage. • Reduction in the amortization term of the first-lien mortgage. • Reduction in the monthly principal and interest payment of the first lien.
Adding and Removing Borrowers	<ul style="list-style-type: none"> • A borrower may be omitted for any reason provided they are removed from the deed and do not retain any ownership interest in the mortgaged premises. • A borrower may be added, provided at least one of the existing borrower(s) is retained. A non-occupying borrower may not be added to a mortgage secured by a primary residence.
Eligible Mortgage Products	<p>Relief Refinance Mortgages – Open Access may be:</p> <ul style="list-style-type: none"> • Conventional 15-, 20-, 25- or 30-year fixed-rate, fully amortizing mortgages. <p>Notes:</p> <ul style="list-style-type: none"> • The Relief Refinance Mortgage – Open Access may be a super conforming mortgage. • If the mortgage being refinanced is a fixed-rate mortgage, the new Relief Refinance Mortgage – Open Access may not be an ARM.
Occupancy	<ul style="list-style-type: none"> • 1- to 4-unit primary residences. • 1-unit second homes. • 1- to 4-unit investment properties.

<p>Collateral Assessment</p>	<ul style="list-style-type: none"> • May use Home Value Explorer® (HVE) or a new appraisal to determine property value. • HVE may be used for certain 1- to 2-unit properties for Loan Prospector submissions. See Guide Section B24.3(g) for detailed requirements on the use of HVE. In connection with the use of HVE: • If a new appraisal is obtained, the Seller must obtain a full interior/exterior appraisal that meets the requirements of Guide Chapter 44. <ul style="list-style-type: none"> ○ Sellers are not responsible for the representations and warranties regarding the value, condition and marketability of the property for the refinance mortgage. ○ Freddie Mac will accept appraisal reports with a UAD property condition rating of C5 or C6 and/or a UAD quality rating of Q6 completed on an “as-is” basis; the appraisal does not have to be completed “subject to” substantial or significant needed repairs being completed. ○ The Seller is not responsible for the completeness and accuracy of the appraiser’s description of the mortgaged premises and the accuracy of, and support for, the appraiser’s opinion of market value of the mortgaged premises. ○ For super conforming Relief Refinance Mortgages – Open Access, the special appraisal and collateral documentation requirements in Guide Chapter L 33.6 do not apply. • For mortgages secured by the properties in condominium projects, the Seller must represent and warrant that the project is not a hotel/resort project or houseboat project, a timeshare project or a project with fragment or segmented ownership. The project must have insurance that meets the applicable requirements. <p>NOTE: Condo or PUD projects do NOT need to be re-underwritten or re-warranted; standard closing documents are still required. The underwriter must confirm that the property is not a condotel or co-op hotel. An HOA certification is required.</p>
<p>Refinance Proceeds</p>	<ul style="list-style-type: none"> • The proceeds of the Relief Refinance Mortgage – Open Access must be used only to: <ul style="list-style-type: none"> ○ Pay off the first mortgage (amount includes the unpaid principal balance and up to 30 days of accrued interest through the payoff date). ○ Pay the lessor of 4 percent of the current unpaid principal balance of the mortgage being refinanced or \$5,000 in related closing costs, financing costs and prepaid/escrows. ○ Cash to the borrower not to exceed \$250. ○ The proceeds may not be used to pay off or pay down any secondary financing.
<p>Maximum LTV/TLTV/HTLTV</p>	<ul style="list-style-type: none"> • The maximum LTV ratio must not exceed 125 percent. • There is no maximum TLTV or HTLTV ratio.
<p>Underwriting Requirements</p>	<ul style="list-style-type: none"> • Must be fully underwritten and submitted to Loan Prospector. • Noncredit payment references are prohibited and may not be used to establish an acceptable credit reputation.
<p>Secondary Financing</p>	<ul style="list-style-type: none"> • Must be subordinate to the Relief Refinance Mortgage – Open Access and must meet the requirements for secondary financing in Guide Chapter 25. • An increase in the current unpaid principal amount of any junior lien is not permitted and no new secondary financing is permitted. • An existing junior lien that is serviced by the Seller of the new Relief Refinance Mortgage – Open Access, may be refinanced simultaneously with the first-lien mortgage being refinanced only if the junior lien is being refinanced for one of the following purposes: <ul style="list-style-type: none"> ○ A reduction in the interest rate of the junior lien. ○ To replace an ARM, an interest-only junior lien, or a junior lien with a balloon or call option with a fixed-rate, fully amortizing junior lien. ○ A reduction in the amortization term of the junior lien. • The unpaid principal balance of the new junior lien cannot be more than the unpaid principal balance, at the time of payoff, of the junior lien being refinanced. • If the junior lien being refinanced is a fixed-rate junior lien, the new junior lien cannot be an ARM.

Mortgage Insurance

Mortgage Insurance:

Original LTV of existing loan	Existing loan has MI in force?	MI required for new refinance loan?
≤ 80%	No	No
> 80%	No	No
> 80%	Yes	Loan may not be eligible for this program ^{1, 2}

1. If the new LTV is ≤ 80%, mortgage insurance may be canceled, and the loan would then be eligible for this program.
2. Loans with new MI policies are eligible under program 6268.