



Last Reviewed: 05/29/2025

UNIONHOME MORTGAGE

TPO - Freddie Mac Standard Mortgage

PROGRAM DESCRIPTION

Freddie Mac's "standard" product, offering fixed and adjustable rate mortgages with terms ranging from 8–30 years; available in 5/6, 7/6, and 10/6 SOFR ARMs.

GENERAL ELIGIBILITY

Product Channel	TPO
Term	8 to 30 years Fixed
Loan Purpose	Purchase, Rate/Term Refinance, Cash-Out Refinance, Renovation, or New Construction
Encompass Names	WHL CON Fixed Rate WHL CON 5yr/6m SOFR ARM WHL CON 7yr/6m SOFR ARM WHL FHLMC 10-Year (10yr/6m) SOFR ARM
Geographic Limitations	None.
ARM Information	<p><u>5/6 SOFR ARMs</u></p> <ul style="list-style-type: none">• Initial Fixed Rate period of 5 years, adjusting every 6 months thereafter.• Index: 30-Day SOFR• Margin: 3.000%• Rate Caps: 2/1/5 (2% first adjustment; 1% subsequent adjustments; 5% life-of-loan cap) <p><u>7/6 SOFR ARMs</u></p> <ul style="list-style-type: none">• Initial Fixed Rate period of 7 years, adjusting every 6 months thereafter.• Index: 30-Day SOFR• Margin: 3.000%• Rate Caps: 5/1/5 (5% first adjustment; 1% subsequent adjustments; 5% life-of-loan cap) <p><u>10/6 SOFR ARMs</u></p> <ul style="list-style-type: none">• Initial Fixed Rate period of 10 years, adjusting every 6 months thereafter.• Index: 30-Day SOFR• Margin: 3.000%• Rate Caps: 5/1/5 (5% first adjustment; 1% subsequent adjustments; 5% life-of-loan cap)
Occupancy	Primary Residence Second Home Investment Property
Temporary Buydowns	<ul style="list-style-type: none">• Temporary Buydown Option is available.• Refer to the Temporary Buydown product summary when adding this feature to any standard agency product.
Maximum LTV/HLTV/HTLTV	Please refer to the eligibility matrices at the end of this summary.
BORROWER ELIGIBILITY	
Cash-Out Refi Occupancy Requirement	For cash-out refinance transactions, all borrowers must occupy the mortgaged premises.



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APPRAISAL/PROPERTY REQUIREMENTS

Eligible Property Types	<ul style="list-style-type: none"> • 1–4-Unit Properties • Planned Unit Developments (PUDs) • Condominiums (per Freddie Mac requirements) • Manufactured Homes
Ineligible Property Types	<ul style="list-style-type: none"> • Co-operatives • High-balance Investment Properties
Appraisal Requirements	An interior and exterior inspection that meets all Freddie Mac requirements is required, unless the last Feedback Certificate includes an automated collateral evaluation offer stating that the mortgage is eligible for collateral representation and warranty relief with an appraisal waiver.
Property Condition Requirements	Subject property's condition cannot be considered fair or poor and must be rated C-4 condition or better.

UNDERWRITING & COMPLIANCE REQUIREMENTS

Qualifying Ratios & Rate	All ARM Loans: The greater of the Note rate or the fully indexed rate is required for loans that are higher-priced mortgage loans or higher-priced covered transactions under Regulation Z.				
	FIXED PERIOD		QUALIFYING RATE		
	5 years or less		The greater of the Note rate plus two percentage points or the fully indexed rate.		
	7 and 10 years		Note rate.		
ATR/QM	UHM ATR/QM Rules apply.				
AUS/Manual Underwriting	<ul style="list-style-type: none">• Manual underwriting is not permitted.• Requires an “Accept” from Loan Product Advisor.• UHM Overlays for FHLMC Delivery apply. Every attempt has been made to include them here; however, the Overlays document and TPO Lending Guide take precedence.				
UHM & Bond Overlays	<ul style="list-style-type: none">• All UHM Freddie Mac Overlays apply.• Refer to the HFA-specific product requirements and HFA Overlay document when combining with a bond/HFA program.				
Minimum Credit Score	<ul style="list-style-type: none">• At least one borrower must have a credit score.• Non-manufactured homes: 600 minimum, per AUS Approve/Accept.• Manufactured homes: 620 minimum, regardless of AUS Approve/Accept.• High-Balance loans: 640 minimum				
No Credit Score	<ul style="list-style-type: none">• Requires approval from Essent Guaranty.• Funding through Comerica with advance communication to Secondary and Funding.				
Interested Party Contributions		OCCUPANCY TYPE	LTV	MAXIMUM IPC	
		Primary and Second Home	> 90%	3%	
			75.01–90%	6%	
			< 75%	9%	
		Investment Property	All TLTV	2%	
Cash-Out Seasoning	The Borrower must have been on the title to the subject property for at least six months prior to the Note date of the cash-out refinance mortgage.				



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Maximum DTI	<ul style="list-style-type: none"> All standard requirements for liabilities, including excluding liabilities or mortgage debt from the DTI, apply. DTI per AUS. Refer to any UHM overlays that apply via PartnerNet.
Minimum Borrower Investment	<ul style="list-style-type: none"> Freddie Mac does not require minimum contribution from the borrower on purchase transactions, but it does require minimum contributions for one-unit properties and 2-4 unit properties with LTV/TLTV/HTLTV ratios < 80%. The borrower must have 3% of his/her own personal funds for 2-4 unit properties with an LTV/TLTV/HTLTV of > 80% but < 95%. UHM requires that any reserves required by AUS must be from the borrower's own funds.
Open Access	<ul style="list-style-type: none"> Unlimited LTV/HTLTV with a minimum 680 credit score. Credit scores ranging from 620–679 are limited to 105% LTV/HTLTV. Second Underwriting signature required. \$250.00 cash back is permitted; principal reductions in excess are not permitted. Principal reduction cannot exceed the allowed cash back amount.
Permitted Sources of Funds	Borrower personal funds can include Cash-on-Hand if all requirements are met.
Incidental Cash Back	Flexible sources of funds as described in Freddie Mac's Seller/Service Guide are permitted.
Reserves	Reserves must be from borrower's own funds if reserves are required by the AUS (UHM requirement): <ul style="list-style-type: none"> 1-Unit Properties: Generally, no reserves are required. 2-4 Unit Properties: Two months' reserves, minimum, will be required. Second Homes and Investment Properties: Six months' reserves required. Two months must be liquid; remaining four can be qualifying illiquid.
CLOSING REQUIREMENTS	
Closing	Follow standard Freddie Mac documentation, closing, and post-closing requirements.

PURCHASE & RATE/TERM REFINANCE			CASH-OUT REFINANCE		
Units	Occupancy Type	LTV	Units	Occupancy Type	LTV
1	Primary	95%	1	Primary	80%
2	Primary	85%	2–4	Primary	75%
3–4	Primary	80%			
	Second Home	90%		Second Home	75%
1	Investment Property	85%	1	Investment Property	75%
2–4	Investment Property	75%	2–4	Investment Property	70%
	Manufactured Primary	95%		Manufactured Primary (Max term: 20 years)	65%
	Manufactured Second	85%			



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RATE/TERM REFINANCE OWNED BY FHLMC		
Units	Occupancy Type	LTV
1-2	Primary	95%
3-4	Primary	80%
	Second Home	95%
1	Investment Property	85%
2-4	Investment Property	75%