



Freddie Mac Refi Possible

Borrower Eligibility Requirements

<p>Borrower Income</p>	<ul style="list-style-type: none"> The Borrower's qualifying income converted to an annual basis must less than or equal to 100% of the area median income (AMI) for the location of the Mortgaged Premises. To determine if the Borrower's income exceeds the income limits, MCFI will rely on the income used to qualify the Borrower and submitted to Loan Product Advisor. MCFI will NOT use other published AMI versions (such as AMIs posted on https://www.huduser.gov/portal/home.html) to determine Mortgage or product eligibility
<p>Change in Borrowers</p>	<ul style="list-style-type: none"> The Borrower(s) obligated on the Note for the Refi Possible Mortgage must be the same as the Borrower(s) obligated on the Note for the Mortgage being refinanced, except that a Borrower obligated on the Note for the Mortgage being refinanced may be omitted from the Note for the Refi Possible Mortgage provided that: <ul style="list-style-type: none"> The Mortgage file contains evidence that the remaining Borrower has been making the Mortgage payments, including the payments for any secondary financing, for the most recent 12-month period from their own funds; or In the case of death, MCFI must obtain and retain in the Mortgage file documentation of the Borrower's death In all cases, at least one Borrower from the Mortgage being refinanced must be retained

Eligibility Requirements for Mortgage Being Refinanced

<p>General Eligibility Requirements</p>	<p>The Mortgage being refinanced MUST:</p> <ul style="list-style-type: none"> Be a First Lien, conventional Mortgage currently owned by Freddie Mac, in whole or in part, or securitized by Freddie Mac; see loan look up link www.freddiemac.com/mymortgage Be seasoned for at least 12 months and no more than 120 months (i.e., the Note Date of the Mortgage being refinanced must be at least 12 months prior to, but no more than 120 months prior to, the Note Date of the Refi Possible Mortgage).
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Ineligible Mortgages	<p>The Mortgage being refinanced must not be:</p> <ul style="list-style-type: none"> • A Freddie Mac Relief Refinance MortgageSM • A Freddie Mac Enhanced Relief Refinance[®] Mortgage • A Refi Possible Mortgage • A Mortgage subject to an outstanding repurchase request • A Mortgage subject to recourse, indemnification, or another credit enhancement other than mortgage insurance (unless the new loan is also subject to credit enhancement or it is no longer required)
Payment History	<p>The Mortgage being refinanced must have a payment history that indicates the following:</p> <ul style="list-style-type: none"> • The Mortgage has not been 30 days delinquent in the most recent six months; and • The Mortgage has not been 30 days delinquent more than once in the most recent 12 months, and • The Mortgage has not been 60 or more days delinquent in the most recent 12 months
Loan Product Advisor Assessment	<p>Loan Product Advisor will assess whether the Mortgage being refinanced complies with the above eligibility requirements with the following exceptions:</p> <ul style="list-style-type: none"> • MCFI is responsible for ensuring the mortgage is seasoned at least 12 months by the Note Date of the Refi Possible Mortgage, and • MCFI is responsible for determining whether the payment history requirements are met after the date of the last Loan Product Advisor submission

Special Underwriting Requirements for Refi Possible Mortgage

Underwriting Path	<p>The Refi Possible Mortgage must be submitted to Loan Product Advisor. MCFI does not allow manually underwritten loans for this program.</p>
General Eligibility Requirements	<ul style="list-style-type: none"> • The Refi Possible Mortgage must be a fixed-rate Mortgage • The Refi Possible Mortgage must not be: <ul style="list-style-type: none"> ➤ A Mortgage with a temporary interest rate buydown ➤ A super conforming Mortgage ➤ Originated pursuant to Section 50(a)(6) of Article XVI of the Texas Constitution. Refer to FHLMC Guide Section 4301.7 for additional information regarding Texas Equity Section 50(a)(6) Mortgages.



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<p>Occupancy and Property Eligibility</p>	<ul style="list-style-type: none"> The Refi Possible Mortgage must be secured by a one-unit Primary Residence The Mortgaged Premises must be an attached or detached dwelling, a Manufactured Home, a unit in a condominium project or Planned Unit Development. For Mortgages secured by Condominium Units, MCFI is not required to evaluate if the Condominium meets the project eligibility requirements, provided that: <ul style="list-style-type: none"> condo project is not located in a Condominium Hotel, houseboat project, timeshare project or project with segmented ownership; and The project has insurance that meets the applicable insurance requirements of Guide Chapter 4703 	
<p>Secondary Financing</p>	<p>An existing junior lien:</p> <ul style="list-style-type: none"> Must be subordinated to the Refi Possible Mortgage and must meet requirements for secondary financing in Chapter 4204 May be refinanced simultaneously with the existing First Lien provided that: <ul style="list-style-type: none"> The UPB of the new junior lien is not more than the UPB, at the time of payoff, of the junior lien being refinanced, There is no increase in the monthly Principal and Interest Payment of the junior lien <p>No new subordinate financing is permitted, except to replace existing subordinate financing as stated above.</p>	
<p>Maximum loan-to-value (LTV)/total LTV (TLTV)/Home Equity Line of Credit (HELOC) TLTV (HTLTV) ratios</p>	<p>Property/transaction type</p>	<p>Max LTV/TLTV/ HTLTV ratios</p>
	<p>1-unit other than Manufactured Homes</p>	<p>97%*</p>
	<p>Manufactured Homes</p>	<p>95%</p>
	<p>Mortgage with a non-occupying Borrower</p>	<p>95%*</p>
	<p>*A TLTV ratio up to 105% is permitted when the mortgage is not secured by a Manufactured Home and secondary financing is an Affordable Second®.</p>	
<p>Borrower Benefit</p>	<p>The refinance transaction must result in both of the following:</p> <ul style="list-style-type: none"> A First Lien Mortgage interest rate reduction of at least 50 basis points (bps) <p>AND</p> <ul style="list-style-type: none"> A reduction in the monthly payment that includes principal, interest, and the mortgage insurance payment (if applicable). 	



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<p>Use of Mortgage Proceeds</p>	<p>The proceeds of the Refi Possible Mortgage must be used only to:</p> <ul style="list-style-type: none"> • Pay off the first Mortgage • Pay related Closing Costs • Disburse cash to the Borrower not to exceed \$250 <p>In the event there are remaining proceeds from the Refi Possible Mortgage after the proceeds are applied as described above, the excess proceeds must be applied as a principal curtailment to the Refi Possible Mortgage and must be clearly reflected on the Settlement/Closing Disclosure Statement.</p> <p>No existing secondary financing may be satisfied with proceeds.</p>	
<p>Minimum Credit Score</p>	<p>Minimum FICO Score 620 If there is no usable Credit Score due to insufficient information or inaccurate information, the Mortgage is not eligible.</p>	
<p>Maximum Debt Payment-To-Income (DTI) Ratio</p>	<ul style="list-style-type: none"> • There is no maximum housing expense-to-income ratio • The total monthly DTI ratio must be less than or equal to 65%, including when a non-occupying Borrower is present 	
<p>Income and Employment Documentation Requirements</p>	<ul style="list-style-type: none"> • The minimum documentation requirements in the table below apply to the referenced income types in lieu of the Streamlined Accept and Standard Documentation Level requirements stated for these income types in FHLMC Guide Topic 5300 	
	Income Type	Minimum Documentation Requirements
	Base non-fluctuating employment (primary only)	<ul style="list-style-type: none"> • Year-to-date (YTD) paystub documenting the YTD earnings • 10-day pre-closing verification of employment
	Fluctuating hourly employment (primary only) Tip, bonus, overtime and commission income	<ul style="list-style-type: none"> • YTD paystub documenting the YTD earnings • W-2 for the most recent calendar year • 10-day pre-closing verification of employment
	Military income (basic pay, entitlements, Reserve and National Guard income)	Military Leave and Earnings Statement
	Self-employment	<ul style="list-style-type: none"> • Complete federal individual and business income tax returns for the most recent one-year period, and • Verification of the current existence of the business through a third-party source obtained either no more than 20 calendar days prior to Note Date
	Alimony, child support or separate maintenance	<ul style="list-style-type: none"> • Documentation to evidence receipt of the alimony, child support and/or separate maintenance payment amount for the most recent one months, and • Copy of the signed court order, legally binding separation agreement and/or final divorce decree verifying the payor's obligation for the previous one months, including the amount and the duration of the obligation



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	<ul style="list-style-type: none">• All other income types must be documented in accordance with the Streamlined Accept and Standard Documentation Level requirements in Topic 5300• All other documentation requirements, including Chapter 5302, General Requirements for Documentation Used to Verify Employment and Income, and additional requirements for certain employment characteristics in Section 5303.2 apply
Asset Documentation Requirements	<ul style="list-style-type: none">• When funds required for closing are more than \$500, funds in a depository, securities or retirement account used for closing must be documented with one-month account statement or a direct account verification• When funds required for closing are \$500 or less, verification of funds is not required
Property Valuation Requirements	<ul style="list-style-type: none">• Appraisal with an interior and exterior inspection unless the Last Feedback Certificate includes an automated collateral evaluation (ACE) offer stating that the Mortgage is eligible for collateral representation and warranty relief with an ACE appraisal waiver, or ACE+ PDR, and the Seller has accepted the offer.• Refi Possible Mortgages secured by Manufactured Homes are not eligible for an ACE or appraisal waiver or ACE+ PDR• A \$500 credit will be provided to the Borrower when an appraisal is obtained
Pricing	<ul style="list-style-type: none">• Standard Credit Fees in Price apply• Refi Possible Mortgages with an original Note amount of less than or equal to \$300,000 are not subject to the 50 bps Market Condition Credit Fee in Price
Mortgage Insurance Coverage	Mortgages with LTV ratios greater than 80% must have mortgage insurance coverage in accordance with Chapter 4701 .
Revised QM Rule	All Refi Possible mortgages must meet general QM definition under the Revised QM Rule set forth in 12 CFR 1026.43(e)(2) (General QM definition).