

Freddie Mac's HFA Advantage<sup>SM</sup> conventional product allows 97% loan-to-value (LTV) ratios with low mortgage insurance coverage requirements. This product description summarizes Minnesota Housing guidelines, and Freddie Mac and U.S. Bank overlays required for loan eligibility. Lenders are also responsible for meeting all program guidelines ([Start Up](#) or [Step Up](#)), underlying product guidelines (**Freddie Mac Home Possible<sup>®</sup>**) and U.S. Bank overlays.

PARAMETERS	HFA ADVANTAGE <sup>SM</sup> REQUIREMENTS			
<b>Eligible Minnesota Housing Programs</b>	HFA Advantage <sup>SM</sup> can only be accessed through <a href="#">Start Up</a> or <a href="#">Step Up</a> .			
<b>Loan Terms</b>	<ul style="list-style-type: none"> <li>Fully-amortizing</li> <li>30-year term</li> <li>Fixed Rate</li> </ul>	<ul style="list-style-type: none"> <li>Purchase</li> <li>Refinance option with Step Up</li> </ul>		
<b>Eligible Occupancy</b>	Owner-occupied			
<b>Mortgage Insurance</b>	LTV and MI Coverage Percentage			
	> 95% and ≤ 97%	> 90% and ≤ 95%	> 85% and ≤ 90%	> 80% and ≤ 85%
	18%	16%	12%	6%
<b>Eligible Property Types</b>	<ul style="list-style-type: none"> <li>One unit, single-family</li> <li>A unit within a PUD</li> </ul>	<ul style="list-style-type: none"> <li>Condo / Townhome</li> <li>Modular Home</li> </ul>		
<b>Ineligible Property Types</b>	<ul style="list-style-type: none"> <li>Duplexes, triplexes or fourplexes</li> <li>Multi-unit</li> <li>Manufactured housing</li> </ul>	<ul style="list-style-type: none"> <li>Co-ops</li> <li>Community Land Trusts (CLT)</li> </ul>		
<b>Income Requirements</b>	Minnesota Housing's <a href="#">Start Up/Step Up income limits</a>			
<b>Minimum Credit /Maximum DTI</b>	<a href="#">Credit and DTI Matrix</a>			
<b>Maximum CLTV</b>	105%			
<b>Loan Product Advisor<sup>SM</sup></b>	<ul style="list-style-type: none"> <li>You must receive an LPA<sup>SM</sup> recommendation of "Risk Class Accept"</li> <li>You may underwrite to HFA income limits</li> </ul>			
<b>Desktop Underwriter<sup>®</sup> (DU<sup>®</sup>)</b>	<ul style="list-style-type: none"> <li>Must have DU<sup>®</sup> "Approve/Eligible" recommendation</li> <li><a href="#">Credit and DTI Matrix</a></li> </ul>			
<b>Non-Traditional Credit</b>	<ul style="list-style-type: none"> <li>Maximum 36% DTI</li> <li>Minimum two months PITIA reserves after closing (or per Freddie Mac Home Possible<sup>®</sup> guidelines if more restrictive)</li> <li>Defer to Freddie Mac Home Possible<sup>®</sup> guidelines</li> </ul>			
<b>Minimum Borrower Contribution</b>	<ul style="list-style-type: none"> <li>\$1,000 or 1% of the purchase price, whichever is less, if receiving Minnesota Housing downpayment and closing cost loan</li> </ul>			
<b>Downpayment and Closing Cost Loans</b>	<ul style="list-style-type: none"> <li>Refer to <a href="#">Start Up and Step Up program descriptions</a></li> </ul>			
<b>Homebuyer Education</b>	<ul style="list-style-type: none"> <li>If all borrowers are first-time homebuyers, at least one borrower must complete an <a href="#">approved homebuyer education course</a> prior to closing.</li> </ul>			
<b>Reserves</b>	<ul style="list-style-type: none"> <li>AUS-underwrite: May be required. Defer to Freddie Mac Home Possible<sup>®</sup> guidelines.</li> <li>Manual underwrite: See Manual Underwriting section on page 2.</li> </ul>			
<b>Border Income</b>	<ul style="list-style-type: none"> <li>May be allowed. Defer to Freddie Mac Home Possible<sup>®</sup> guidelines.</li> </ul>			

PARAMETERS	HFA ADVANTAGE <sup>SM</sup> REQUIREMENTS
Manual Underwriting	<b>LTV ≤ 95%</b>
	<ul style="list-style-type: none"> <li>Requires at least one borrower to have an acceptable credit/indicator score (see Freddie Mac Home Possible<sup>®</sup> guidelines)</li> <li>Maximum 36% DTI</li> <li>Minimum two months PITI (and association dues, if applicable) reserves after closing (or per Freddie Mac Home Possible<sup>®</sup> guidelines, if greater)</li> </ul>
	<b>LTV &gt; 95 up to ≤ 97%</b>
	Not allowed
Interested Party Contributions	Defer to Freddie Mac Home Possible <sup>®</sup> guidelines
Special Feature Code (SFC)/Offering Identifier	<ul style="list-style-type: none"> <li>DU<sup>®</sup> SFC 741</li> <li>LPA<sup>SM</sup> Offering Identifier 251 or choose “Home Possible Advantage for HFAs (eligible users only)” from drop-down menu</li> </ul>
Underwriting Guidelines	<ul style="list-style-type: none"> <li>Unless otherwise stated in this product description or U.S. Bank HFA Division overlays, refer to Freddie Mac Home Possible<sup>®</sup> guidelines.</li> <li>Where the HFA Advantage<sup>SM</sup> guidelines conflict with Home Possible<sup>®</sup> guidelines, follow the guidelines in this product description.</li> </ul>
Freddie Mac Delivery Fee	Zero
LLPA	Zero LLPA (Loan Level Price Adjustment)
PARAMETERS	UPFRONT PAID MORTGAGE INSURANCE (UPMI) REQUIREMENTS
Product Guidelines	Refer to the HFA Advantage <sup>SM</sup> product guidelines above.
Minimum Credit Score	<a href="#">Credit and DTI Matrix</a>
Eligible Properties	See Above
Ineligible Properties	See Above
Minnesota Housing Commitment System	<ul style="list-style-type: none"> <li>Under “description,” choose the intended Fannie/Freddie Upfront Paid MI option</li> <li>In the “Other” tab, choose “Freddie” from the drop-down menu</li> </ul>
Special Feature Code (SFC)/Offering Identifier	See Above
Service Release Premium (SRP)	Unused UPMI SRP must be credited to the borrower for closing costs. <a href="#">See Examples.</a>