

# Breaking Down Fannie Mae and Freddie Mac 97% LTV Programs



Fannie Mae and Freddie Mac both offer loan programs to help borrowers qualify for a loan with as little as 3% down payment! Enact aligns with the GSEs and is here to help you find the right solutions for your borrowers and support their dream of homeownership.

	Fannie Mae HomeReady®	Freddie Mac Home Possible®	Fannie Mae Standard 97% LTV	Freddie Mac HomeOne®
<b>Borrower Income</b>	Total qualifying income no more than 80% AMI		No income limitations	
<b>First-Time Homebuyer (FTHB)</b>	Not required		At least one borrower must be a first-time home buyer	
<b>LTV/MI Coverage</b>	90.01 - 97% LTV = 25% coverage All other LTV's = Standard MI coverage applies		97% LTV = Standard MI coverage applies	
<b>Loan-Level Price Adjustments (LLPAs)</b>	LLPAs waived		Standard risk-based	
<b>Credit Score</b>	620		620	
<b>Purpose/ Property Types</b>	Purchase & Rate/Term Refi 1-4 unit owner occupied primary residences 1-unit only if: Condo, Co-op, MH & Reno		Purchase & GSE owned Rate/Term Refinance 1-unit owner occupied primary residences All property types; C-to-P eligible	
<b>1-Unit LTV/CLTV</b>	Fixed Rate & ARM 97%/105%; 95%/105%	Fixed Rate & ARM 97%/105%; 95%/95%	Fixed Rate only - 97%/105%	
<b>2-Unit LTV/CLTV</b>	Fixed Rate & ARM 85%/105%	Fixed Rate & ARM 95%/105%	Not Applicable	
<b>3- to 4-Unit LTV/CLTV</b>	Fixed Rate & ARM 75%/105%	Fixed Rate 95%/105% & ARM 75%/105%	Not Applicable	
<b>Manufactured Housing</b>	Max LTV 95%; > 95% LTV MH Advantage® only	Max LTV 95%; > 95% LTV CHOICEHome® only	Ineligible	
<b>Underwriting</b>	DU® required for > 95% LTV Manual allowed < 95% LTV	Loan Product Advisor® and Manual	DU only	LPA only
<b>Non-Occupant Co-Borrower</b>	Eligible to max 95% LTV with DU Approve/LPA Accept Manual Underwrite subject to additional criteria		Ineligible	
<b>Minimum Borrower Contribution Required</b>	1-Unit - None Required 2- to 4- Unit 3%		None Required	
<b>Boarder Income</b>	Permitted with documentation of at least 9 of the most recent 12 mos. up to 30% of qualifying income		Ineligible	
<b>Other Assets/Source of Funds</b>	Sweat Equity and Cash-on-hand eligible subject to additional criteria		Cash-on-hand and Sweat Equity are ineligible	
<b>Ownership of other property</b>	Occupant borrower may own one additional financed property at the time of closing; limit not applicable to non-owner occupant		At least one borrower must be a first-time home buyer	
<b>Product Types</b>	Fixed and ARM ≥ 5yr Temporary Interest Rate Buydowns Eligible		Fixed Rate only Temporary Interest Rate Buydowns Eligible	
<b>Affordable/Community Seconds/Subordinate Financing</b>	Gifts, Grants & Community Seconds® eligible	Gifts, Grants, Affordable Seconds® & HELOCs eligible	Personal gifts, gifts or grants from a qualified entity, employer assistance, and GSE eligible subordinate financing	
<b>Homebuyer Education</b>	If all borrowers are FTHBs, at least one borrower must complete Homeownership Education		If all borrowers are FTHBs, at least one borrower must complete Homeownership Education	
<b>Mortgage Credit Certificates (MCC)</b>	Allowed		Allowed	

Consult Freddie Mac's Seller Servicer Guide and Fannie Mae's Selling Guide for a complete listing of product guidelines and eligibility information.

**Questions?** Email our ActionCenter at [Action.Center@EnactMI.com](mailto:Action.Center@EnactMI.com) or call 800-444-5664.

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