



Newly Built Home Mortgages

Expanded opportunities to finance newly constructed homes for your borrowers

With Newly Built Home Mortgages, your borrowers can purchase a newly constructed site-built home or a permanently affixed manufactured home as long as the title to the land and the completed improvements are taken simultaneously at the time of closing. This offering includes the flexibility of permitting 18 months between the date of the earliest credit, capacity, or collateral document and the settlement date (the date the loan is sold to Freddie Mac) – allowing for longer construction times.

> Borrower Profile

- Borrowers seeking to purchase a newly built home or manufactured home
- First-time or move-up borrowers

> Key Features

- 18 months to process, underwrite, document, allow for construction, and sell to Freddie Mac
- Purchase transactions only
- New site-built homes
- New manufactured homes
- Loan Prospector® or Non-Loan Prospector Mortgages

> Borrower Benefits

- A more flexible, streamlined loan origination process for your borrowers purchasing newly built homes
- Combinable with Home Possible® Mortgages, creating an affordable lending solution for first-time homebuyers (site built homes only)
- Borrowers take the title to their new home and land at the time of closing

ORIGINATION & UNDERWRITING REQUIREMENTS	
Eligible Property Types	<ul style="list-style-type: none"> ▪ New 1- to 4-unit site-built homes ▪ New 1-unit manufactured homes ▪ Existing site-built or manufactured homes are not eligible
Eligible Property Occupancy	<ul style="list-style-type: none"> ▪ Primary residence ▪ Investment property ▪ Second homes
Eligible Mortgages	<ul style="list-style-type: none"> ▪ 15-, 20- and 30-year fixed-rate mortgages ▪ Most ARMs eligible for sale to Freddie Mac ▪ 5- and 7-year balloon/reset mortgages ▪ Home Possible Mortgages (site built only) ▪ Initial Interest[®] Mortgages (site built only) ▪ Purchase transaction only ▪ Values used to determine LTV, TLTV, and HTLTV for Newly Built Home Mortgages are calculated according to the requirements in Guide Section K33.12.
Ineligible Mortgages	<ul style="list-style-type: none"> ▪ All refinance mortgages ▪ Special purpose cash-out refinance mortgages ▪ Section 502 Guaranteed Rural Housing Mortgages ▪ Section 184 Native American Mortgages ▪ Super conforming mortgages
Borrower Eligibility Requirements	<ul style="list-style-type: none"> ▪ Borrower must not have owned the land prior to closing and must not have secured any Interim Construction Financing or be obligated to pay off any Interim Construction Financing with the mortgage proceeds.
Special Underwriting Requirements	<ul style="list-style-type: none"> ▪ Minimum Indicator Score of 620 unless otherwise specified in the Guide. (Loan Prospector A-minus Mortgages exempt.) ▪ All mortgages must meet the risk class and/or minimum Indicator Score requirements in Exhibit 25A, where applicable. ▪ Maximum debt-to-income ratio of 45 percent for manually underwritten mortgages. ▪ A borrower's credit, capacity, and collateral documentation must be dated within 18 months of the settlement date for sales under the selling system. ▪ Loans submitted to Loan Prospector will be assessed by selecting the option "Newly Built." ▪ All improvements must be fully completed before the sale to Freddie Mac, except for mortgages secured by site-built homes meeting the requirements in Guide Section 44.2(b) and unless escrows are established in accordance with the requirements of Section 44.2(b).
Collateral Assessment	<ul style="list-style-type: none"> ▪ An appraisal update is required within 120 days prior to the effective date of the Permanent Financing (which is the note date for Newly Built Home Mortgages). If the property value has declined, the Newly Built Home Mortgage must be resubmitted to Loan Prospector or re underwritten (if manually underwritten). ▪ Seller must obtain a written appraisal report with an interior and exterior inspection that meets the requirements of Guide Chapter 44. Loan Prospector's Condition and Marketability Report and Property Inspection Alternative (PIA) may not be used to evidence if the property is acceptable for the transaction. ▪ Appraisal report must state the estimated market value of the property after completion of the construction, and if applicable, be supported by an acceptable completion certificate. (See Form 442, <i>Appraisal Update and/or Completion Report</i>, for suggested format.)
Seasoned Mortgages	<ul style="list-style-type: none"> ▪ Newly Built Home Mortgages are Seasoned Mortgages for Newly Constructed Homes if the settlement date (the date the loan is sold to Freddie Mac through the selling system) is more than 18 months after the date of a borrower's oldest credit, capacity, or collateral documentation. ▪ Seasoned Mortgages for Newly Constructed Homes are eligible for sale only under negotiated sales contracts through the bulk sales path.
DELIVERY REQUIREMENTS	
Eligible Executions	<ul style="list-style-type: none"> ▪ Servicing-released cash* ▪ Servicing-retained cash ▪ Fixed-rate Guarantor ▪ WAC ARM Guarantor ▪ MultiLender Swap** <p>*See our selling system availability matrix for a list of specific mortgages eligible for sale through cash under mandatory contracts servicing-released, and best efforts contracts servicing-released or servicing-retained.</p> <p>**Mortgages for Newly Constructed Homes, with a settlement date more than 12 months after the effective date of Permanent Financing are not eligible for sale under MultiLender Swap.</p>
Delivery Requirements	<p>The following special data must be delivered on Form 11 or 13SF as applicable: see Guide Section 17.38.1:</p> <ul style="list-style-type: none"> ▪ Date of Note: the note date of the mortgage ▪ Special Characteristic Code (SCCs): <ul style="list-style-type: none"> Ⓞ D49 = Newly Built Home Mortgages - Site-built Ⓞ D50 = Newly Built Home Mortgages - Manufactured Home Ⓞ D53 = Seasoned Mortgages for Newly Constructed Homes (bulk transactions only)
Delivery Fees	See Guide Exhibit 19 at www.FreddieMac.com/singlefamily/pdf/ex19.pdf for details on applicable delivery fees.

Learn more about Newly Built Home Mortgages:

- Refer to Chapter K33 and Section 17.38.1 of your *Single-Family Seller/Service Guide*
- Call (800) FREDDIE